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Arizona Department of Transportation

ADOT

Rev. 6/26/01

Glossary of Terms and Abbreviations

ADOT	Arizona Department of Transportation
Aero	Aeronautics Division
CY	Calendar Year
FY	Fiscal Year
HURF	Highway User Revenue Fund
ITD	Intermodal Transportation Division
MVD	Motor Vehicle Division
Org	Organizational Unit, work unit
RARF	Regional Area Road Fund
TPD	Transportation Planning Division
TSG	Transportation Services Group

Organizational Profile

P.1 ORGANIZATIONAL DESCRIPTION
P.1a. Organizational Environment

The Arizona Department of Transportation (ADOT) was established to "provide for an integrated and balanced state transportation system", and is a public governmental agency operating under the laws of the State of Arizona. ADOT's two primary functions requiring the greatest percentage of its resources are: 1) providing for the design and construction of transportation facilities pursuant to a priority plan (Arizona Revised Statutes 28-332.B.3), and 2) registering motor vehicles, collecting revenues, and licensing drivers (Arizona Revised Statutes 28-332.B.1.). The priority planning for ADOT and its major focus, established by the Governor's Office, is to complete the construction of the Regional Freeway System in Maricopa County in 2007, rather than the originally planned 2014.

The seven-member Arizona State Transportation Board acts in an advisory capacity to the ADOT director and has final decision-making authority concerning certain aspects of the highway system, distribution of monies, issuing of bonds, determining priorities, and ultimately adopting the five-year construction programs.

Mary Peters, ADOT's Director, is appointed by the Governor with the advice and consent of the Arizona State Senate. She is directly responsible to the Governor. Victor Mendez serves as ADOT's Deputy Director and John Bogert is the Chief of Staff. The Department provides a State Transportation Infrastructure, which encompasses planning, design, construction and maintenance of highways and rest areas, aircraft registration, administration of public programs such as Public Transit, licensing and registering motor vehicles and operators, and revenue collection and management. The Department is organized into the following Divisions:

Intermodal Transportation Division (ITD) - Provides the design, construction, maintenance and operation of the State Highway Infrastructure.

Motor Vehicle Division (MVD) - Provides services to customers such as driver licensing, vehicle titling and registration, enforcement of weight and registration laws, and maintenance of motor vehicle records.

Transportation Services Group (TSG) - Provides administrative and operational services in the areas of financial management, information technology, human resources, procurement, facilities and equipment services, audit and analysis,, employee development, community relations, employee safety and health, civil rights, and budgeting and strategic planning. The world-renowned Arizona Highways magazine also operates within the Transportation Services Group.

Aeronautics Division (Aero) - Provides the planning, development, maintenance and operation of the Statewide Aviation System, including the registration of aircraft.

Transportation Planning Division (TPD) - Provides transportation planning services including priority programming, local government coordination, and transportation safety. They also conduct basic research in transportation policy matters.

ADOT's stated mission is *"To provide a safe and efficient transportation system, together with the means of revenue collection and licensing for Arizona."* Its vision is to be *"the standard of excellence for transportation systems and services."* ADOT employees believe that *"Working together, we can make a difference"* and are guided by these supporting visions:

- Pay reflects performance and contribution and is competitive with industry.

- Employees enjoy their work and are valued, trusted, appreciated, and supported.

- Training, education and workforce development are among our top priorities.

- Leadership provides clear direction for the Department and an opportunity for all to participate in the decision-making process.

- We will consistently provide our customers with quality products and services.

ADOT employees are *"Employees being their best to do their best."* They developed and wrote their own set of corporate values, which have been shared and adopted throughout the Department.

ADOT Values
As ADOT employees, we demonstrate values in everything we do. We:

- *Create a safe, secure and trustworthy environment.*

- *Recognize and respect the value in our lives outside ADOT.*

- *Motivate one another to continuous achievement and growth through unity and impartiality.*

- *Practice quality in our work, take pride in our results, recognize and reward performance.*

- *Exhibit respect, honesty, fairness, consideration and integrity in all we do.*

- *Exercise personal responsibility by using our freedom to communicate, make decisions and take action in a supportive team environment.*

- *Protect and conserve our resources: people, time and property.*

Employee Profile

ADOT has approximately 5,000 employees who are located in a variety of facilities throughout the state. The workforce has 6% part-time, seasonal and temporary employees. Outside contractors provide design services, highway construction, and maintenance. The full-time ADOT workforce consists of: administrators and professionals (27%), administrative support (10%), protective support (1%), paraprofessionals (28%), and technicians, skilled craftsmen and maintenance workers (34%). Employee skill levels and knowledge range from clerical to high level engineering, financial, and administrative capability. The employee population is culturally diverse and is demographically representative of the state as a whole.

Technologies

The most highly visible advanced technology for ADOT is the Freeway Management System that communicates messages to metro Phoenix travelers through changeable message signs, ramp-metering sensors, and a closed circuit television system, which all connect through the Traffic Operations Center. The Department is considered a leader in this technology. One of ADOT's newest technologies is the computer-aided camera monitoring of traffic during construction projects helps to ensure a good traffic flow. ADOT is also a national leader in providing Internet and interactive voice response access for motor vehicle services.

Equipment

In addition to computers and computer aided drafting equipment, the Department utilizes approximately 4,500 pieces of equipment valued at approximately $156 million. These include such things as generators, snowplows, trailers, cars, trucks and other heavy road construction equipment as well as specialized equipment, such as the Interstate Striping Vehicle.

Facilities

ADOT owns, leases, and maintains over 1,400 buildings and structures, that include public MVD field offices; maintenance yards for highway materials, equipment and staff; equipment service shops; administrative offices; port-of-entry facilities; materials testing laboratories; construction offices; storage and warehouse structures; a specialized warehouse/shop for testing electrical signals; a sign manufacturing plant; and well and pump buildings. All facilities are located in Arizona, with most of the administrative offices being located in the Phoenix area. Ten district offices that oversee construction, maintenance and operations are strategically located throughout the state. There are four regional equipment services offices, 58 dual-function offices offering both title and registration and motor vehicle driver license services, and 22 ports-of-entry.

Regulatory Environment

State and federal statutes, regulations, and mandates significantly impact ADOT's operations. The Department operates under statutory restrictions on how public monies may be spent, and specific personnel statutes and rules which dictate the processes such as promotions, incentives and performance recognition in dealing with its employees. The State Legislature appropriates monies for agency operations primarily from the state Highway Fund, and enacts revenue and bonding legislation to support other agency programs. The Arizona Department of Administration (DOA) makes policy for employee benefits and compensation for all state agencies, including ADOT.

The Priority Programming Law outlined in Arizona Revised Statutes 28-111, provides guidelines for prioritizing aviation needs, road improvements, and highway projects, and establishes how the citizens of Arizona are able to participate in the process.

ADOT is also governed by federal legislation that provides the funding for various federal-aid systems including interstate, primary, secondary, and urban freeway systems. The federal government usually authorizes funding for a four- or five-year period, which allows the Department to plan for spending.

Safety

Safety is of utmost importance to the Department and its employees. Most employees work in an office environment, however, of those in the field, a high percentage work in potentially dangerous conditions having an accumulated 9,271,000 hours of exposure to risk annually. Employees with a higher exposure to risk work primarily in highway construction, maintenance, facilities maintenance, equipment services shops, MVD enforcement, natural resources, and Information Technologies.

ADOT operates under regulations from entities such as the National Occupational Safety and Health Association, the Mining Safety and Occupational Health Agency, the Arizona Department of Environmental Quality, the National Fire Protection Agency, and the State Department of Emergency Management, as well as those safety policies, procedures, and programs promulgated by ADOT's own Safety Office.

Accreditation and Certification Requirements

ADOT encounters a wide variety of accreditation and certification requirements in the fields of civil, mechanical, structural, electrical, and computer engineering. Other accreditations and certification requirements exist in the areas of finance, audit safety, industrial, environmental, landscape, and MVD enforcement. Some examples are Peace Officer Certifications for MVD enforcement personnel, and Professional Engineer Certifications for bridge designers.

Environmental

ADOT is subject to various state and federal laws requiring it to take specific steps in order to mitigate the environmental impacts of its activities. The National Environmental Policy Act, and similar laws, requires the assessment of the effects of significant federal transportation actions or federal-aid projects on the environment. Arizona laws also regulate many of the environmental aspects of ADOT's activities, including extensive studies of archeological sites, air quality monitoring, and research relative to how ADOT's construction projects impact the migration and habitat of Arizona's wildlife. ADOT works closely with local governments and citizens, through the public input process, to ensure that all reasonable steps are taken to resolve the environmental concerns of the public.

Financial Regulations

The State Procurement Code regulates all purchases (other than design and construction contracts), and places limitations on supplier partnerships and procurement activities.

Product Regulations

Products and materials are tested and must meet stringent inspections before they are used in highway construction. In addition, all materials used in the driver license manufacturing process and the vehicle title production process, must also pass a strict adherence to specifications.

P.1b. Organizational Relationships

P.1b(1) Major Market Segments

The citizens of Arizona are the major market for the Department. ADOT, and its activities, directly and indirectly affects every resident and business in the state. Resident motor vehicle owners and operators use title and

registration and driver license services, and aircraft owners register planes.

The traveling public, which includes Arizona residents, tourists, and business travelers, use the state highway system. Commercial vehicles entering and passing through Arizona are checked at the ports-of-entry. Non-drivers can obtain identification cards, and voters can register at MVD offices. Most trade goods and consumer products (such as food, house-wares, and industrial products) are transported over the highway system for use by businesses, governmental offices, and individuals. ADOT, also, maintains driver record databases for immediate access by statewide law enforcement agencies.

Some of the government customers and stakeholders include the State Legislature, the Federal Highway Administration, the Federal Aviation Administration, local governments, and regional governments.

ADOT's customers are entitled to a safe, well-designed and maintained highway system, which is free from traffic congestion, hazards, and barriers, and is built on time and within budget. It should be attractive and free of weeds, litter, and graffiti. Construction work zones must be properly signed, and have minimum inconveniences to the traveler. A quick response time to clear and reopen a roadway in the event of an accident, hazardous material spill, or roadway hazard clean up is very important.

The public is interested in information that will make travel easier, that will inform them of construction locations and when closures will begin and end, what kind of delays to expect, and possible alternative routes. Customers visiting MVD offices expect quick, efficient, accurate, and friendly service for their licensing, title and registration business.

ADOT collects appropriate revenues from the motoring public, provides accurate revenue forecasting, maintains a high bond rating, and manages a well-designed investment program.

P.1b(2) Suppliers and Dealers

Both suppliers and partners directly impact ADOT's core business. ITD's key partners supply engineering consultants to design the State Transportation Infrastructure, and contractors to build it, as well as suppliers for materials and inspections services. MVD partners include the trucking industry, vehicle dealers, lending institutions, insurance companies, auto salvage firms, rental car companies, fleet owners, and driving instruction schools. In addition, MVD contracts with third parties to provide title and registration, driver license and vehicle inspection services to the public.

ADOT actively works to establish and maintain partnerships with key stakeholders such as the Arizona Motor Transportation Association, the Arizona Automobile Dealers Association, Arizona Correctional Industries, banking and lender associations, third party suppliers and the Arizona Independent Automobile Dealers Association. The Department has also established and maintains key supplier relationships in the areas of information systems support, process consultation, auditing services and education and training.

ADOT works closely with law enforcement agencies, other transportation agencies, and regulatory agencies in order to improve relationships. The Arizona Department of Public Safety (DPS) is one of ADOT's key partners; it receives funding from the Highway User Revenue Fund, and relies on ADOT for the communication of road closures and incident management and access to MVD databases for record and photo retrieval.

The Department is recognized as a leader in the area of partnering, which has become an important part of its culture. Since laws and their enforcement are important to it's business, ADOT's Legislative Office works with key public sector partners such as Federal and State Legislatures, as well as local communities. ADOT's Deputy Director heads the Arizona Transportation Quality Initiative, Arizona's chapter of the National Partnership of Highway Quality, a partnership of cities, counties, state, and private industry, which promotes transportation in Arizona.

The Intermodal Transportation Division partners with individual firms and organizations such as the Arizona General Contractors, Arizona Consultant Engineering Association, Arizona Rock Products Association, Arizona Correctional Industries, the U.S. Border Patrol, Bureau of Land Management, United States Forest Service. MVD partners with the third party providers who provide title, registration and driver license services to the public, US Border Patrol, all state motor vehicle agencies (via national database), and the federal motor carrier safety administration. The Highway Safety Team is a partnership effort to reduce traffic related injuries and fatalities in Arizona.

Communication Mechanisms
ADOT employs several methods for communicating with its suppliers and partners. Formal partnerships are established in meetings, and supplier relationships are established through the procurement bidding process. The Department communicates with other key partners by E-mails, letters, construction alert newsletters, and regular meetings. ADOT conducts open "town halls" in counties throughout the state to promote open discussion with customers, suppliers, and partners regarding transportation needs and issues. The human resource team publishes hiring and staffing announcements in newspapers

throughout the state, and partners with universities and other educational institutions to help provide a trained workforce. ADOT uses television, local newspapers, and radio to communicate updated information about local freeway closures, new freeway openings, and major transportation events affecting the public, and traffic and road conditions.

P.2 ORGANIZATIONAL CHALLENGES
P.2a. Competitive Environment

ADOT is one of the largest state agencies in Arizona, ranking third in the number of employees and fourth in budget size. The vehicle license tax and federal highway programs provide more than 75% of ADOT's revenue.

ADOT has very unique responsibilities, and no direct competition for its products and services. However, through competitive processes, ADOT contracts with outside firms for approximately 90% of its design engineering, and 100% of its highway construction projects.

The Department competes with other state Departments of Transportation for Federal Highway Administration funding, which directly impacts the construction and maintenance of Arizona's highway system. Locally, ADOT competes with cities and counties for monies from the Highway User Revenue Fund.

Two important factors that help determine ADOT's competitive success are Arizona's population growth and healthy economy. Revenues for the transportation system increase when the economy is strong and the population increases create additional drivers and vehicle registrations.

Innovative financing and public-private partnerships continue to play a key role in maximizing the resources needed to meet the transportation needs of the state.

P.2b. Strategic Challenges

ADOT's key strategic challenges are:
- *Safety* - To ensure the safety of both the highway worker and the public while maintaining over 6,000 centerline miles of roadway.
- *Congestion* - A variety of creative solutions are necessary to address this problem, especially in the urban areas.
- *Customer Service* - 1) Ensuring ease of access to services, 2) Identifying alternate service delivery methods, 3) Informing customers in a timely, accurate manner regarding services and roadway information,

and 4) Providing quality customer service to an increasing population.

- *Funding* - Securing dependable funding sources for building and maintaining the transportation system. This includes more effective revenue collection efforts and increased competitive advantages for Highway User Revenue Fund and Regional Area Road funding.

- *Reputation* - Enhancing ADOT's reputation to a broader community; improving the accessibility, timeliness and accuracy of information disclosed, and increasing public involvement earlier in the process where highway projects are involved.

- *Workforce* - Maintaining and enhancing institutional knowledge and experience, and developing and retaining future knowledge and experience to ensure a high performing workforce with the skill sets to meet the changing needs of the Department.

- *Population/Demographics* - The fast population growth, and the rapidly increasing elderly population contribute to demographic challenges. ADOT must accurately forecast transportation and other customer service needs based on population growth projections.

- *Environment* - Delivering a highway program on time and within budget while, at the same time, protecting and conserving the environment (air, water, wildlife, and all natural resources.)

Addressing these challenges requires ADOT to consider new methods, new/revised laws, multi-modal alternatives, new on-line services, extensive evaluation and research, public involvement, expanded use of alternate pay plans and process improvements.

ADOT must overcome these strategic challenges in order to attain its agency goals that are:

- Improve the movement of people and products throughout Arizona.

- Increase the quality, timeliness and cost effectiveness of our products and services.

- Develop and retain a high performing, successful workforce.

- Optimize the use of all resources.

- Improve public and political support necessary to meet Arizona's transportation needs.

P.2c. Performance Improvement System

Overall operational performance is evaluated by the executive and operations level staff with key objectives in the strategic plan being measured and discussed monthly. Gaps are identified, course corrections are generated, and action plans are made with the due dates and task owners identified. In addition, teams (process improvement) of front-line workers in their natural work groups throughout the state have been trained and empowered to do process improvements related to performance measures.

ADOT leadership uses "breakthrough strategies" as methods to improve performance. The three breakthrough strategies are:

- Measurements - Develop and employ a measurement system that provides information for securing and allocating resources and *improving performance.*

- Resources - Allocate resources according to mandates, planned priorities, customer requirements, and a return on investment.

- Workforce Development - Align workforce development with priorities and business needs; design and implement the necessary training programs and delivery systems.

The Department utilizes performance-based incentive programs in its key operational areas: MVD customer services, highway construction, maintenance, procurement, and equipment services. All incentive programs operate as process improvement teams where the incentive pay is earned for generating hard dollar savings, eliminating or reducing costs, and improving customer services. Successes are reported monthly and shared throughout the state for implementation of process improvements, which increase the operational performance statewide.

ADOT uses the Malcolm Baldrige Criteria as part of a quick assessment process of organizational performance. The outcome is discussed at the executive, Core Team, and upper management operational levels. In May 2001, the Department chartered an organizational development steering committee, which is charged with overseeing projects that will result in the overall improvement of Department operations and processes.

The Department regularly involves all employee levels throughout the state in the strategic planning process, where overall performance is discussed and measures are evaluated and modified. The strategic planning process includes objective setting to meet organizational goals and resource identification.

ADOT's use and integration of performance evaluation and measurements at different levels throughout the Department, ensures that everyone is contributing to the overall operational performance.

1.0 LEADERSHIP
1.1. Organizational Leadership
1.1a Senior Leadership Direction
1.1a(1) Mary Peters has emphasized a compelling commitment to provide mobility to Arizona's residents and visitors, and ensure the highest value in licensing and revenue collection to its taxpayers. The following guiding principles have been adopted by ADOT's leadership to provide organizational direction:

Focus on the key business functions that are critical for this agency to accomplish in the next five to ten years.

Align the organization to accomplish those things its focused on, including ensuring resources, property, and budget are allocated correctly.

Accountability through performance indicators of key business functions to accomplish goals.

ADOT leaders focus is on three strategic initiatives:
- Regional Freeway Acceleration
- Customer Service
- Program Delivery

ADOT leaders continually evaluate these in light of budget and operational performance capabilities.

Each Division within ADOT has developed a Strategic Plan that aligns with the Strategic Plan of the Department. These divisional plans are annually reviewed to ensure they remain Focused, Aligned and Accountable with the Department's Strategic Plan and accomplish the Core Business Functions of:
- Developing and operating the transportation infrastructure.
- Licensing and registering.
- Manage revenue.

Senior management has defined a future vision for the Department which is guided by legislative mandates, Executive requirements, task force studies and customer transportation needs which are extrapolated into the short and long-term future.

The senior leaders set organizational values after being researched and developed by employees at all levels of the organization, statewide.

Upon adoption of the ADOT value statements, (page v in the Organizational Profile) meetings were held throughout the Department to present the ADOT direction, values, and goals. A tri-fold wallet-sized card stating the mission, vision, goals, values, strategies, and core business functions is, distributed to all employees. The cards are referred to, in whole or in part, at many ADOT meetings.

ADOT's values and goals are continually validated with employees at meetings such as the New Employee Orientation and Chautauqua leadership sessions. The Director and Division Directors actively participate in these meetings. In addition, the Middle Management Leadership Network, whose mission is to help define, strengthen and carry out the link between ADOT's vision and its daily operations, encourage the reinforcement of these values in discussions with employees.

ADOT deploys values and measures their effectiveness in the following ways:

"Create a safe, secure and trustworthy environment."
- Multiple employee safety measures monitored monthly.
- Monthly safety meetings in the field.
- Statewide Safety Stand Down Day with all employees.
- Mary Peter's personal E-mail messages promoting personal safety.
- Milepost articles on safety.
- Operation of a variety of safety programs.

"Recognize and respect the value in our lives outside ADOT."
- Freely authorize the use of annual leave.
- Award Recognition Leave to use as employee desires.
- Support and participate in "Bring Your Child to Work Day."
- Provide crisis benefits to employee's families through CONTACT.
- Provide family housing in remote locations throughout Arizona.
- Milepost articles highlight employees and their lives outside ADOT.
- Sponsor company picnics for employees and their families.

"Motivate one another to continuous achievement and growth through unity and impartiality."
- Announce all job opportunities in-house.
- Establish tuition reimbursement program to motivate and encourage higher learning.
- Provide time away from work for training.
- Established a Professional Development Hours Program to motivate employees to higher achievement.
- Incorporate team building activities into work activities.
- Delegate authority for decision-making and purchasing to empowered employees.

"Practice quality in our work, take pride in our results, recognize and reward performance."

- Operate five different incentive pay programs.
- Multiple awards and recognition programs.
- Employee Performance Evaluation Program with merit increases.
- Various Quality Measurements.
- Time to participate in two different Employee Appreciation Days annually.
- Sponsor the Equipment Road-eo.

"Exhibit respect, honesty, fairness, consideration and integrity in all we do."
- Teach cultural diversity and ethical issues.
- Partnering program teaches all of the values in formal classes and workshops.
- Milepost articles recognizing employees who have helped others.
- "Clean Start" Program.
- Blood drives.

"Exercise personal responsibility by using our freedom to communicate, make decisions and take action in a supportive team environment."
- Established and trained teams in decision making and empowerment.
- Established Facilitator Training Program to help teams communicate and make decisions.
- Teach management skills and communication skills
- Middle Management Group provides increased communication.
- Employee Representative Program.

"Protect and conserve our resources: people, time, and property."
- Incentive programs pay to reduce expenses for equipment, materials, and labor.
- Trained and tasked natural work teams to do process improvement to eliminate rework and unnecessary work.
- Equipment Incentive Program to help eliminate abuse of state equipment.
- Procurement contracts initiated with corresponding training on purchasing.
- Initiated pay plan to help retain engineers that are key to business operation.
- Leadership support of State budget in Legislature.

ADOT leaders are role models for employees and reflect ADOT's mission, values, priorities, goals, strategies and supporting vision. Leaders routinely play key roles on avrious ADOT teams, participating as sponsors, team leaders or as team members.

The Director, Deputy Director and Chief of Staff formally meet once a week and informally communicate daily. The Core Team which consists of the Director, Deputy Director, Chief of Staff, Division Directors plus the Director of Strategic Planning and Budgeting, Finance Officer, and Manager of Special Projects meet at least monthly to communicate values, expectations and direction. Quarterly meetings are held by the Team to focus on needed changes and long-term strategies. The Strategic Plan is discussed and adherence to its direction reinforced at these meetings. An Operations meeting is held monthly to review performance measurements, communicate action needs and reinforce values/expectations to supervisors and managers. Teaching of values appears routinely on the agenda in the form of the Director's Coach's Corner where either the Director or a designee presents instructional information.

Each division or group director meets regularly with their leadership staff to communicate values and direction. At the completion of each meeting, feedback is solicited as to whether the objectives of the meeting were accomplished and whether the organizational direction remains intact. All ADOT employees are encouraged to provide feedback.

Each Division is represented by an Employee Representative who visits offices and discusses workplace and quality issues with employees. These Employee Representatives then meet monthly with the Director, Assistant Director, Chief of Staff and Division Directors to highlight current areas of concern and receive feedback relative to previous questions and issues.

Balanced value for customers and other stakeholders is accomplished through user group meetings, and surveys and resultant feedback. This includes periodic meetings with such groups as The Association of General Contractors, the Motor Carriers, Chambers of Commerce, Maricopa Association of Government, Pima Association of Government, Native American groups and a wide variety of other stakeholder groups.

Both internal and external to ADOT, the vision and supporting visions (page iv of the Organizational Profile) serve as the basis for communication of values. ADOT being a large, statewide agency, employs several means of communicating values and expectations to employees. The following internal and external communication methods are employed:

Internal communications - Core Team meetings, Operations meetings, Divisional leadership meetings, performance evaluations, one-on-one meetings, E-mail, voice mail, telephone and video conferencing, newsletters, signs and intranet postings. In addition, ADOT utilizes

formal policies and procedures to communicate process and behavioral expectations.

External communications - Public hearings, E-mail, newsletters and the ADOT Internet Website. In addition, ADOT leaders provide guest editorials for supplier and quality publications such as the monthly publications of the Arizona General Contractors newsletter and the Arizona Subcontractors Association. ADOT's Community Relations regularly participates in a call-in radio program and provides daily/weekly information for newspaper publication. ADOT provides weekly road closures for publication by newspapers, and provides weekly updates on performance measurements and events to the Governor's office.

ADOT leaders have adopted a flexible leadership style allowing them to make unannounced visits to work sites and spending time with the employees discussing values and directions for the organization. The Director encourages employees to address any issues during these personal visits or to use telephone voice messages and E-mail if they prefer.

1.1a(2) The senior leaders believe in allowing people the freedom to be innovative. They ask employees to use our mission and ethic/values as "touchstones" and allow broad discretion and latitude to accomplish strategic direction within those guidelines. Employees at all levels are encouraged to determine 'how to achieve' by using goals, objectives and performance measurements, where the results are prescribed, but the specific methodology to accomplish them is not. ADOT leaders encourage decisions to be made at appropriate levels. Management makes sure employees have knowledge of the values and the direction needed to make the proper decisions and comply with legal requirements.

Authority to make decisions, spend money, and sign for business operations is delegated, in writing, and demonstrates empowerment at various levels throughout the organization.

The Department has implemented several innovative financial mechanisms to maximize construction dollars and manage its revenue, which include additional funding of the Highway Expansion and Extension Loan Program (HELP) and Grant Anticipation Notes. HELP is Arizona's state infrastructure bank where loans are funded with federal and state dollars as well as Board Funding Obligations issued by the Department of the State

Treasurer. Grant Anticipation Notes are a financing mechanism that leverage future receipt of Federal highway aid.

Continuing education is expected of everyone. One of ADOT's most effective training tools for creating employee learning, motivation and innovation is ADOT's leadership series. "Chautauqua", a one-day segment of this series, is taught by the Director and other Core Team members, and enables direct contact and feedback with the managers and supervisors of the Department.

ADOT has established a Rewards and Recognition Program to encourage innovative thinking and reward risk-taking. The ServiceArizona program (online MVD transactions) and the I-17 Design-Build Employee Suggestion Program, are two examples of this innovative thinking.

ADOT is recognized as a national leader with its Partnering Program which encourages innovative projects and cooperation. Potential innovative and creative practices are identified through participation in national and local professional associations, where best practices are shared and benchmarked.

ADOT is presently one of six states in a pilot program with the Federal Highway Administration to develop an Intelligent Transportation System that will eventually expedite commercial vehicle traffic through the nation. Additionally, the Department supports innovative projects that involve private sector partners supplying the infrastructure to implement this Intelligent Transportation System. For example, a Lockheed Martin project placed electronic equipment at five ports-of-entry to allow a pre-clearance process for truck traffic, eliminating the need for participating commercial vehicles to stop at the port.

ADOT's leadership seeks opportunities to achieve its mission, such as participation in the development of the CANAMEX Corridor. This "CANAMEX Corridor of Innovation" is a five-state, three-country approach to guide/plan future strategic transportation, telecommunications and other infrastructure investment for this entire Canada to Mexico region.

1.1b Organizational Performance Review
1.1b(1) Eleven key performance measurements (See Figure 2-1) have been selected to provide ADOT with the ability to track progress in meeting strategic initiatives

Organizational Performance Reviews

ANALYSIS FINDING	IMPACT	ACTION	RESULTS
Behind in projection to complete 360,000 Internet transactions -FY 01	Field office impact will be more than predicted.	Services added and additional services will be made "Internet-eligible."	Increase in May 2001 transactions to 41,300.
Need a variance report on the percentage of Construction Dollars awarded vs planned	Tracks Project Delivery Performance.	$313 million awarded compared to the planned amount of $315 million.	On target to meet goal of 90-100% of construction dollars to be awarded in FY 2001.
Need more statewide travel lane miles open to traffic	Improve mobility of goods and people.	17,566 lane miles opened by March 31, 2001.	Ahead of schedule for meeting year end goal.
Constituent Responses are not always timely. They should be completed within 10 working days 95% of the time.	Improves public and legislative relationships with ADOT.	Jan. Feb. Mar. achieved 100% compliance.	Fewer complaints from legislature and greater customer satisfaction.
Average Visit Time at MVD is longer than goal of 23 minutes.	Number rose to 26.3 minutes through June 2001.	Investigate reasons for high employee turnover rate and implement recommendations.	Decrease in time to serve customers will result in greater customer satisfaction.

Recent organizational performance reviews by senior leaders, and the results, are indicated in this chart, Figure 1-1

and goals listed in the Strategic Plan. These measurements are reviewed monthly by the appropriate division director and staff, followed by a review by the ADOT Director and Deputy Director. Eight of these prioritized measurements, accompanied by an action plan, are forwarded to the Governor's Office for review. In addition, the performance measurements are reviewed by senior leaders at the Operations meeting each month, where performance and actions taken to improve performance are discussed. The previous month's measurements are posted on the ADOTNET, the ADOT Internet site, and in the boardroom. (See Key Performance Measures in Category 2, Figure 2-1).

In addition to performance reviews by managers, various customer feedback surveys are monitored closely. These include those performed in conjunction with the ServiceArizona (MVD Internet access) program, and those done at the field offices**.** (See Figure 7-3.) Partners and stakeholders are informed of the performance measurements and corrective action is taken, if warranted.

1.1b(2) The organizational performance measures are translated into opportunities for improvement using the following:

- Individual divisions have periodic strategic planning meetings to determine whether their measures continue to align with the Department's Strategic Plan.

- Division leaders review and ensure their programs and work unit plans align with the Department's strategic direction by applying the Focus, Alignment, Accountability guiding principals.

- ADOT leaders systematically review allocated resources at a monthly review of finances. They conduct a weekly review of where shortfalls of the Comprehensive Statement of Revenues exist from field offices throughout the state.

1.1b(3) ADOT leaders review organizational performance to improve their leadership effectiveness by developing gap analysis, and evaluating management "bench strength". Off-site meetings are held four times a year for adjustments, if the analysis suggests a change. To provide a broader base of experience and information the Core Team recently re-vamped to add leaders from the financial and planning sections of the agency.

1.2 Public Responsibility and Citizenship
1.2a Responsibilities to the Public
1.2a(1) Transportation service systems have enormous responsibilities to the public as well as the impact they have on the environment. Prior to design plans being finalized, each transportation project undergoes a rigorous review of its environmental impact, including air, water, solid waste, noise, flora and fauna of the area and impacts on the existing community and cultural environment. Each criteria is evaluated regarding established thresholds of acceptable impact, and mitigation measures are incorporated into the project design to ensure thresholds are not exceeded.

ADOT is continually aware of their responsibility to the public and the environment as shown by changes to snow removal chemicals which have a minimal impact on the environment. Natural Resource's efforts extend to wildlife as well as vegetation, as seen with the 40% reduction of highway collisions involving big game wildlife resulting from their efforts to keep animals away from the highway.

ADOT participates in outreach programs in "non-attainment" areas (i.e. those areas of the State which do not meet the "National Ambient Air Quality Standards" for one of the primary pollutants) such as Maricopa County. ADOT employees ensure construction projects submit proposals and comply with the Dust Control Plan required by the County.

Regulatory and legal issues are tracked through planning calendars, which are employed by each division and area, and delineate deadlines for legal requirements that must be met. One of the tasks in the development of planning studies is the formal review of relevant legal and regulatory requirements, which are then incorporated into projects and final contracts.

The Office of Audit and Analysis reports directly to the Director and Deputy Director (administratively reports to the Chief of Staff) to maintain its independent audit function. It performs audits to insure both regulatory compliance and operational integrity/efficiency. Quarterly follow-up reports, regarding the disposition of audit issues, are prepared for the review by the Director, Deputy Director, Chief of Staff, and Division Directors.

ADOT's future impact on society is determined through surveys, public meetings, customer feedback, neighborhood involvement, local government and local business participation, in the form of meetings, letters, and E-mail from the public and stakeholders. Periodic public opinion surveys and customer satisfaction surveys are utilized. During construction on major projects, ADOT

sends a monthly newsletter to the impacted neighborhoods to ensure the public is aware of future schedules, changes and activities. In MVD the customer service satisfaction survey is an early warning indicator of later customer satisfaction/dissatisfaction. ADOT consults with experts and stakeholders to anticipate public concerns and remain sensitive to their needs. Initial designs have been modified in response to public concerns.

Waiting times at MVD offices, safety of the public, traffic on roadways and mobility of the public are all measured. These measurements indicate community impact and help ADOT to improve performance, and make necessary adjustments to its programs.

The Equipment Service's Environmental Fuel Tank Management Section has implemented an Underground Storage Replacement Program as a part of ADOT's environmental awareness. This program identifies, upgrades, and replaces fuel tanks that do not meet the Environmental Protection Agency's 1999 mandates. This is a proactive approach to a problematic issue.

ADOT employees hold memberships and are involved in many local and national organizations dealing with industry regulatory practices, allowing ADOT to increase its awareness of potential rules and regulations as well as to participate proactively in industry approaches and solutions.

ADOT employees interact with many industries and organizations. Some examples include:

American Association of Motor Vehicle Administrators, American Public Works Association, American Society for Testing and Materials, American Society of Civil Engineers, American Trucking Industry, Arizona Board of Realtors, Arizona Motor Transport Association, Arizona Society of Civil Engineers, Registered Professional Engineer, Transportation Research Board, American Association of State Highway Transportation Officials, Western Association of State Highway Transportation Officials, Organization of Purchasing Professionals, Association of General Contractors, Arizona Rock Products.

ADOT leaders address public responsibility and impacts on society in many ways: 1) ADOT financial management participates in financial report development containing public disclosure of bond issues. 2) Ensuring standards and specifications include all regulatory requirements for air quality and dust control. 3) Addressing federal mandates like driver privacy protection. 4) Developing rules to address regulatory requirements with the public.

1.2a(2) ADOT's services and products undergo extensive regulatory and public review, and it is required to meet all appropriate regulatory requirements and environmental laws. Planning studies require the formal review of legal and regulatory requirements.

Years of experience enable ADOT to anticipate various concerns when a project is announced. Extensive information is gathered during public hearings, gatherings, town hall meetings, and focus sessions in anticipation of beginning a project. Neighborhood involvement is sought to resolve local differences and concerns when a project is planned. These may include noise, air quality and related environmental impacts on the immediate local area. Where impacts are identified, mitigating efforts are considered during the design phase of the project development. (See Figure 6-1.)

The federal highway transportation law changed in 1995 to accommodate a single audit approach of consulting engineering firms (i.e. cognizant audits) providing primarily design services. ADOT's Office of Audit and Analysis, took the lead in responding to this legislative change, regionally through its membership in the Western Association of State Highway and Transportation Officials (WASHTO), and then nationally through its membership in the American Association of State Highway and Transportation Officials (AASHTO). The result, in collaboration with the American Consulting Engineers Council (ACEC), was the development of a uniform audit and disclosure package that could be utilized by all governmental agencies doing business with a particular consulting engineering firm. This innovative approach to the audit process will provide an efficient utilization of the limited audit manpower available to various governmental agencies, will provide an efficient audit process for the engineering firms, and will assure the taxpayers a reasonable cost for engineering services. ADOT, also, uniquely collaborated with a committee of the Arizona Consulting Engineers Association (ACEA), to develop an audit process utilizing the documents developed nationally.

MVD measures customer waiting times and trends, and revisions are implemented to stay within established guidelines. MVD makes extensive use of satisfaction surveys to monitor their service of customers. (See Figure 7-3.)

1.2a(3) Ethical behavior is expected of all ADOT employees, and all ADOT employees are required to attend a formal training session on Ethical Issues in the Public Sector and, also, sign a Code of Conduct statement upon being employed. This public trust responsibility is then reinforced during the Chautauqua leadership sessions and at regular staff meetings. ADOT leaders communicate their ethical expectations by being role models and stressing ethics as a key issue throughout the organization. Articles and studies relating to planning ethics are distributed to refresh employee perception of what constitutes ethical behavior. There is a clear understanding throughout the organization that unethical activities will not be tolerated and will have repercussions.

ADOT has a formal escalation process to address and resolve problems at the lowest level possible regarding employees, contractors, consultants, and local and federal agencies. As a part of this process, all parties discuss when, how, and why decisions are made.

Internally, the Department uses the Progressive Discipline Policy which allows employees to know and understand up front what the consequences are for failure to meet behavioral expectations.

The Equal Employment Opportunity Counselor Program allows employees to address and resolve ethical pressures and problems with the help of a fellow employee trained in problem solving.

1.2b Support of Key Communities
ADOT has a large economic impact in many rural communities around the State and attempts to maintain a relationship in these areas as a valued partner. Rural areas have different needs than the larger urban areas, making it vital to listen to these communities in order to meet their transportation needs. This is accomplished through focus group sessions, town hall meetings, public hearings, board meetings held throughout the state, and other outreach meetings. The following chart shows ADOT's participation in activities that strengthen and support its key communities. (See Figure 1-2.)

ADOT Participation in Key Communities

ORGANIZATION	DESCRIPTION	ACCOMPLISHMENT
Vision 21 Task Force	Develop 20-Y Transportation for AZ	ADOT Director serves on the task force.
Arizona Blood Services	Sponsors and participates in 2 blood drives /year.	Provides approximately 75-85 units of blood to the community each year.
State Employee Charitable Campaign	Sponsors and promotes giving	Donations increased $41,957 in 2000.
Local Communities		Presents Service Awards to employees for making a difference in their communities.
Brown Cloud Summit	Improve visibility in the valley of the sun.	Recommended to the Governor – Eighteen tracking measures to improve visibility in the Phoenix area.
Project Challenge	Residential Military-style educational program for high school dropouts ages 16-18.	ADOT mentors cadets in the program, hires cadets in summer work program. Also provides highway cleanup community service.
Arizona State Fair	Public education.	Provide booths and equipment displays.
Local Businesses and Individuals across the State	Adopt-A-Highway Program.	Joint ADOT/Citizen effort to remove litter from the highway.
Executive Leadership Forum	Sponsors nation's most respected speakers on quality leadership and best practices.	ADOT financially supports this program and sends attendees.
Highway Safety Team - ADOT, Mothers Against Driving Drunk, Students Against Driving Drunk, Department of Public Safety, Phoenix Police Department, Federal Highway Administration, Maricopa County Department of Transportation, Governor's Office of Highway Safety, City of Phoenix,, FMSCA, Red Means Stop Coalition, Dept of Health Services, American Automobile Association, Pima Association of Governments, and Maricopa Association of Governments	Partnerships to reduce highway injuries and fatalities in Arizona.	ADOT Director leads the team. Published Customer Service Guide, Governor's Office of Highway Safety Web site. Increase certified inspectors, Analysis of demographics of fatalities, Update Truckers Handbook, Develop strict prosecution and penalties for Driving Under the Influence, Legislative changes to reduce DUI related crashes, Improve crash data collection and analysis, develop and distribute "out of service notification cards", Establish standards for rumble strips on roadway shoulders, Establish standards for raised pavement markers, Install median barriers on freeway system, Establish and set appropriate speed limits on all highways, accelerate passing lane projects in five year program, Increase use of red light running cameras, increase use of LED light emitting diode signal lights to reduce intersection crashes, Establish statewide incident management team to clear accidents, Establish freeway service patrol in Maricopa County.
Arizona Transportation Quality Initiative	Improve quality of Arizona's transportation system.	ADOT Deputy Director Chairs this Arizona Chapter of the National Highway Partnership for Quality.
Local Radio & Television Stations	Traffic Information for motorists.	Sponsor local "traffic watch programs" and provides the television view of the Freeway Management System (cameras on the freeway).
Transportation Research Board	Researches transportation projects.	ADOT leaders and managers participate in decision process.
Intelligent Transportation System		Internet access to freeway cameras allows selective choice of travel route. Provides variable message signs on roadways
Local and State Colleges & Univ.		Participate in job fairs.
Bank One Ball Park		Senior ITD leaders sell hot dogs at a concession stand.
City of Glendale, Other State Agencies, Catholic Diocese	Strategic Plan Development.	Provide trained facilitators.
Local School to Work Programs		Hire/train workers in the Cooperative Education Program.
American Association of State Highway Transportation Officials	Provides best practices and information sharing format	ADOT leaders and managers chair sub-committees and provide presentations at conferences
American Association of Motor Vehicle Administrators	Provides best practices and information sharing format	ADOT leaders serve on subcommittees and provide presentations at conferences.
Western Association of State Highway Transportation Officials		ADOT leaders and managers chair sub-committees and provide presentations at conferences..

Figure 1-2

2.0 STRATEGIC PLANNING
2.1 Strategy Development
2.1a Strategy Development Process
2.1a(1) ADOT develops its strategic direction using an approach that combines the inputs from the Governor's Office, ADOT executive management, and the organizational units at the program and subprogram levels. The Department's process for strategic planning employs both a "top-down" and "bottom-up" methodology.

ADOT's internal strategic planning process begins by conducting an assessment of the organization's strengths, weaknesses, opportunities and threats (SWOT). This assessment, which is more commonly referred to as a SWOT analysis, consists of two components. First is a situation inventory, which is an internal/external assessment to identify the Department's strengths and weaknesses. This assessment determines where ADOT is currently and provides a baseline for the Department. Second is an environmental scan, which assesses the types of internal and external factors affecting ADOT. This scan identifies opportunities and threats to the organization. After the strengths, weaknesses, opportunities and threats have been identified, executive management identifies strategic issues and future challenges. ADOT also verifies its vision and mission statements, its core business functions and Department priorities. This process was used to develop the five strategic goals and three breakthrough strategies, as shown on page viii of the Organizational Profile.

When executive management reaches consensus, the strategic plan elements mentioned above are distributed to the various organizations throughout the Department.

Once this is accomplished, the planning process shifts its emphasis to a "bottom-up" approach. Each organizational unit is requested to prepare a Strategic Plan in alignment with the Department's goals. Training is made available to the leader of the planning process in each organization. ADOT supervisory personnel are required to attend training for strategic planning and budgeting as part of the Department's Dynamics of Leadership Program.

Organizational strategic plans are compiled by subprogram into a single plan. The subprogram Strategic Plans are then blended into a single plan at the program level. For example, the MVD program consists of three subprograms: Motor Vehicle Support Services, Customer Services and Motor Vehicle Enforcement Services. ADOT has five programs around which it develops strategic plans: Intermodal, Motor Vehicle, Aeronautics, Transportation Planning, and Administration. The Department strategic plan is made available to all employees on the ADOTNET.

In addition to the goals, each program's strategic plan contains several key objectives and accompanying performance measurements, which are intended to assist the Department in achieving its goals. Year-to-date operating results related to key objectives and performance measurements, are reviewed monthly by senior management. Key objectives and measurements are also discussed at the monthly Operations Meeting, consisting of ADOT senior managers and their direct reports. The Measurement Team, which is made up of strategic planning representatives with diversified experience, serve as a consultative group to fine tune the measurements associated with the objectives submitted by each program. The Measurement Team also makes recommendations to the Core Team regarding changes to key Department objectives and performance measurements. Additionally, the Office for Excellence in Government requires monthly reports and analyses measuring the progress towards achieving specific objectives. These objectives automatically become part of the Department's key objectives and measurements.

2.1a(2) External customer requirements shown in Figure 3-2 are considered as each organization develops its plan. In addition, ADOT utilizes feedback from stakeholder conferences and statewide public meetings to identify transportation needs and set priorities. The inputs received from these events are evaluated for inclusion into the relevant organizational strategic plans. For example, one issue that was important to the public was to accelerate the completion of the urban freeway system in order to alleviate the problem of ever increasing congestion. Since this customer priority was considered to be of major significance, the target year goal for completion of the urban freeway system in metropolitan Phoenix was accelerated, from 2014 to 2007. Year-to-year objectives are set such that this goal can be attained.

ADOT, being a department of state government, it is not subject to direct competition, in the traditional industry sense, in the performance of its statutorily mandated duties. However, it uses certain information from other transportation agencies to develop new products and services, and for benchmarking successes. For example, ADOT requested and received funding to implement a new statewide highway striping program that would increase the width of the striping from four to six inches. The Florida Department of Transportation, as well as several other states, already converted to 6-inch striping on their highways. ADOT as well as the other states, believe this will ultimately result in a reduction of traffic accidents and improved highway safety. In short, ADOT used their data to benchmark results in order to develop its own expectations for performance.

The Department continually seeks to outsource its products and services to the private sector when it is both feasible and cost effective move. An example of outsourcing has seen the implementation of the Third Party Program by MVD. With this program, business entities, such as car dealers, are authorized to complete many of the MVD services for a nominal fee to the customer. This outsourcing proved to be a viable alternative for the public because of its convenience, and the reduction of customer traffic in field offices.

Among the many different potential risks considered during the internal/external assessment phase of strategic planning, both financial and societal risks are heavily weighed and thoroughly scrutinized. For example, the primary financial risk is that sufficient funds will not be available to satisfactorily carry out ADOT's core business functions: 1) to license and register drivers and motor vehicles, 2) to develop and operate the transportation infrastructure and 3) to manage revenue. In order to ensure that its core business functions are achieved, revenue projections on the two main funding sources (i.e., the Highway User Revenue Fund and the Regional Area Road Fund) are monitored closely to ensure accurate forecasting. ADOT has been proactive in taking specific steps to lessen its exposure to risk from potential shortfalls in funding through a combination of shifting costs to external organizations (e.g., sponsorship of the Adopt-a-Highway Program, and the use of correctional system inmates) as well as generating secondary revenue streams (e.g., the disposal of excess property, and cell phone tower leases).

After the human resource training requirements, and the needs to serve external customers have been identified by the individual organizational units, they are communicated to the Department's Office of Organization and Employee Development, ITD Technical Training, and the MVD Training Academy. These offices analyze the requests in light of available resources and overall mission and goals, and transform the information into an action step in their strategic plan. For example, in order to be responsive to organizational needs, the Office of Organization and Employee Development established an objective in its strategic plan to provide a core curriculum of mandatory training for all supervisors by fiscal year 2001 and maintain that same level thereafter. ADOT also partnered with the academic community in order to form the Technical Training Center. The Center has brought together governmental, academic and private resources in

order to provide technical training to the staff charged with ensuring a safe, efficient and environmentally sound Transportation Infrastructure. This is being achieved by delivering new concepts and ideas, training and technical assistance, and by disseminating research results and new technologies to both transportation providers and users.

Operational capabilities and requirements, including the availability of resources, are assessed at the phase when action plans are developed. The organizational unit that is doing the planning is responsible for identifying the human and technological resources together with the dollar amounts necessary to achieve the goals. If a need for additional resources is identified through the planning process, it is satisfied either through a reallocation process, or considered as an issue for a funding request in the next operating budget cycle.

If it is determined that additional resources are needed, reallocation is the first alternative considered. Resource allocation is one of the three breakthrough strategies identified by executive management. An example of the reallocation methodology that is used in MVD requires that each organizational unit needing additional resources submit specific documentation to justify its needs. The justification must include categorizing the need for additional resources into one of six categories ranging from "legislative mandate" (highest) to "not critical" (lowest). After MVD's management team analyzes the merits of the request, it may allocate the additional resources from a pool of funds that were not specifically committed at the beginning of the fiscal year. However, if the particular need cannot be funded in this manner, the required resources are introduced into the Department-wide budget process for prioritization and submission as part of its total operating budget request.

Supplier and partner capabilities and needs are considered by matching them with the Department's plans and requirements. For example, ITD has to ensure that sufficient, qualified engineering consultants and construction firms are available in order to complete the 5-Year Highway Construction Program. Another example is MVD's expanded use of third party contractors to provide many of the same services offered by its field offices. The expansion of the Third Party Program has helped ADOT achieve its goal of significantly reducing customer visit time in field offices. MVD continues to explore additional opportunities for third party contractors and analyzes their potential impact on its customer service program.

Key Performance Measures					
Description	**FY 1999 Actual**	**FY 2000 Actual**	**FY 2001 Expected**	**FY 2002 Expected**	**FY 2003 Expected**
Incident rate per 100 employees (Figure 7-17)	5.78	5.41	5.13	4.88	4.63
Lane miles open to traffic – statewide (Figure 7-19)	17,396	17,546	17,770	17,979	18,177
Lane miles open to traffic – Maricopa Regional Freeway Sys (Figure 7-20)	372	428	548	569	641
Lane miles open to traffic – Phoenix district (Figure 7-21)	1,677	1,713	1,833	1,854	1,960
Percent of construction dollars award by Board v. Planned (Figure 7-22)	N/C	90%	90-100%	90-100%	90-100%
Average customer visit time in Motor Vehicle field Offices (Figure 7-23)	37.5	23.6	23.0	23.0	23.0
Percent (%) of customers waiting for 15 minutes or Less (Figure 7-24)	37.6%	59.5%	60.0%	60.0%	60.0%
Number of Internet transactions (Figure 7-25)	61,992	180,816	360,000	540,000	585,000
Percent of MVD customers rating overall service excellent or good (Figure 7-26)	86%	91%	91%	91%	91%
Percent (%) of time deadline was met for constituent Inquiries (Figure 7-27)	N/A	90%	95%	95%	95%
Highway safety action steps (Figure 7-28)	N/A	15	5	- 0 -	- 0 -
Figure 2-1					

2.1b Strategic Objectives

The ADOT Core Team focuses on eleven key performance measures indicated in Figure 2-1, above.

These measures are important in assessing the Department's current level of achieving its five goals. These goals were based on the following strategic issues:

1) *Regional freeway acceleration:* ADOT initiated an aggressive program of accelerating the construction of the Regional Area Freeway System in Maricopa County in order to complete it by 2007 instead of the originally planned year 2014;

2) *Customer service:* ADOT maintains a customer service orientation in all of its activities. Among the important customer service challenges facing ADOT is the need to service customers visiting MVD field offices in as short a time period as possible. For FY 2001, ADOT expected to shorten the average visit time that a customer spends in a field office to 23 minutes;

3) *Program delivery* – A significant part of ADOT's business is to build and maintain highways across the State in order to further the Department's goal to improve the movement of people and products throughout Arizona. To achieve this goal, ADOT must ensure that projects are completed on time, within budget and are of the best quality.

2.2 Strategy Deployment

2.2a Action Plan Development and Deployment

2.2a(1) There are eleven key Department performance measures used to determine whether the Department's goals are achieved. These measures result from individual organizational units in ADOT developing objectives and action plans. ADOT's most significant objectives are reflected in the key measures discussed in category 1.1b. These directives further determine Department work systems as well as the methods used for data collection and analysis.

2.2a(2) Each organizational unit communicates its competency level requirements to the Office of Organization and Employee Development and the Technical Training Center staff, if additional training is needed to achieve an objective. An action step specifically describes what is required from the Office of Organization and Employee Development, the Technical Training Center staff and/or the organizational unit. For example, MVD uses a well-defined, documented process to communicate its needs and monitor its progress towards achieving an objective. The action plan to reduce the customer visit time to 23 minutes in field offices documents the strategy, due dates for the completion of each step, required resources and the progress or status in attaining the objective.

2.2a(3) Each organizational unit in ADOT receives an annual expense budget. Part of the strategic planning process is to determine whether each objective can be accomplished with existing resources. If the process determines that additional resources are required, the first alternative considered for evaluation is the reallocation of existing resources. However, an organization's inability to reallocate resources from within its budget leads to the requesting additional funding at the program level. ADOT's Core Team evaluates and prioritizes all competing requests for additional resources and allocates additional funding to the extent available. If, however, funding for the resources needed to attain the objective is not available, the final alternative is to submit a budget issue as part of the Department's operating budget request to the Governor.

2.2a(4) Eleven key performance measures are used to evaluate the progress towards reaching the Department goals.

One method used to track the progress of the Department's key performance measures is reporting their status at the monthly Operations Team meeting. By closely monitoring data, ADOT is able to more effectively plan and adjust strategies to ultimately meet its objectives. All performance measures relative to one of ADOT's programs are discussed monthly on a rotating basis at these meetings.

This process also requires the preparation of an independent analysis of progress made towards achieving the key measures by ADOT's Office of Strategic Planning and Budget. This analysis is performed monthly and discussed with the applicable program staff responsible for each key measurement. Then the administrator for ADOT's Office of Strategic Planning and Budget presents the analysis, together with conclusions and recommendations, at the Operations Team meeting each month. During this process, Department executives and select senior managers discuss the degree of progress accomplished for each key measurement and evaluate the proposed corrective actions.

As indicated in category 2.1a(1), executive management, after conducting discussions with the program and sub-program managers statewide, formalizes the vision and mission statements, core business functions, breakthrough strategies and goals. Once these items are disseminated, each organizational unit interacts with the program strategic planner to develop its own strategic plan that supports ADOT in achieving its goals.

2.2b Performance Projection
2.2b The increases in the key measures in Figure 2-1 demonstrate positive trends. For example, among the more noteworthy is the increase in lane miles open to traffic in the Phoenix District. Since this is one of the largest metropolitan areas in the country, an increase in lane miles is significant because congestion is always a concern. Similarly, in an effort to relieve congestion, the end date for constructing lane miles in the regional freeway system has been accelerated to 2007 from an originally proposed end date of 2014, requiring a significant allocation of resources.

Another performance indicator, which merits mentioning and has received national attention, is the number of motor vehicle related transactions completed over the Internet as an alternative to visiting an MVD field office. In an effort to reduce customer visit time in field offices, MVD, through partnering with the private sector, offered alternatives to Arizona drivers for conducting several types of motor vehicle related transactions. Three alternative programs are Renew-By-Mail, Third Party, and the Internet. Together, these alternative programs have reduced customer volume in the field offices and, as a result, the visit time experienced by customers, who still must use a field office, has decreased by 59% over a twelve-month period. Additionally, the number of transactions completed via the Internet increased by 171% over the same twelve-month period.

ADOT continues to focus its strategic planning efforts on achieving measurable results in improving the movement of people and products through Arizona as well as customer satisfaction, financial and resource management, and partnering.

3.0 CUSTOMER AND MARKET FOCUS
3.1 Customer and Market Knowledge
3.1a Customer and Market Knowledge

3.1a(1) Virtually every citizen and/or traveler in Arizona is a customer or potential customer of ADOT. Most, if not all of these customers (and stakeholders) are identified through the strategic planning process, wherein representative staff throughout the agency agrees together who should be identified as an ADOT customer.

Of a potentially exhaustive list of customers, natural segmentations arise. Customers are segmented and targeted by services and products ADOT is mandated to provide. These are classified under two primary agency functions: (1) developing and operating a safe, effective, and efficient transportation infrastructure; and (2) facilitating the legal and safe use of that infrastructure.

These two primary ADOT functions drive the identification of its many services and products, which in turn serve to classify customer groups. These services and products include: (1) Highways and roads, (2) Credentials,

(3) Partnerships and Privatization, (4) Records and Information, and (5) Airport Enhancements.

In Figure 3-1, relationships between ADOT functions (noted in boxes), services and products offered (noted in circles), and customer segmentations are illustrated. On the outside of the largest circle, four major groups are identified as customers/stakeholders. These groups either directly benefit from services and/or are interested in ADOT's overall success.

A notable ADOT "customer" is linked in Figure 3-1 to the Privatization and Partnerships component: MVD third party providers. This group includes private companies, and in some cases public agencies (e.g., school districts that conduct Commercial Driver License training for bus drivers), authorized to conduct specific MVD transactions for their clientele.

In addition to the two primary ADOT functions, a secondary function serves to identify and segment customers, namely, support systems. The support systems
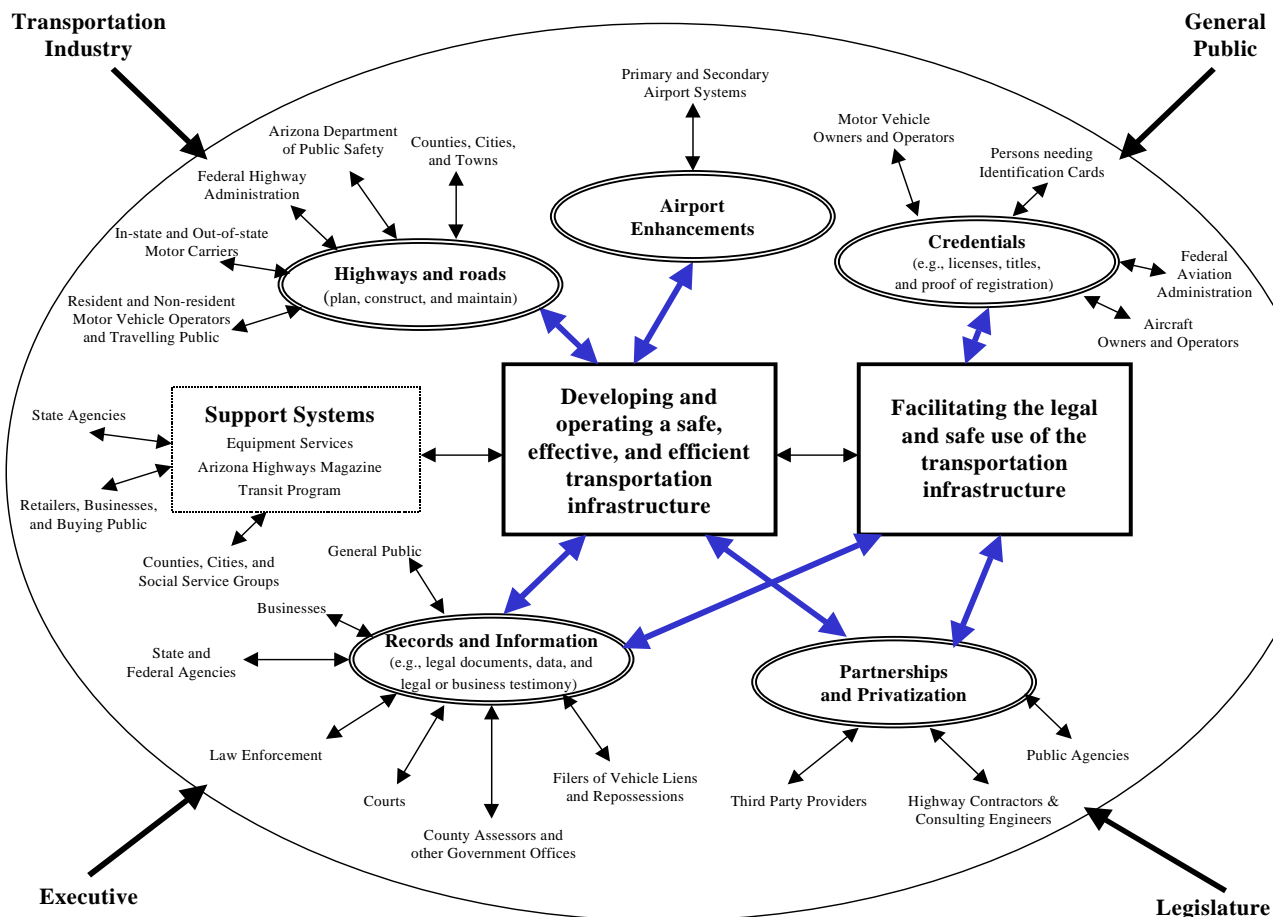
Figure 3-1

function includes Equipment Services, <u>Arizona Highways</u> magazine, and the Transit Program.

Equipment Services, through intergovernmental agreements, provides fleet services with 14 state agencies and political subdivisions, including the Arizona Department of Administration (2,185 vehicles) and the Arizona Department of Economic Security (484 vehicles). These services are provided while also maintaining the ADOT fleet of 4,300 vehicles. Additionally, fuel is provided to 28 agencies and political subdivisions. Every effort is made to ensure services are available to external customers. To date, all requests for intergovernmental agreements have been activated.

One additional customer group is served by a unique branch of ADOT, the <u>Arizona Highways</u> magazine unit, which publishes and sells <u>Arizona Highways</u> magazine, viewed as one of the top travel-tourism related publications in the world, as well as a line of related products (calendars, books, and general merchandise.) This customer group consists of retailers, corporate businesses, and the buying public, and is targeted through: (1) a major subscriber research study conducted approximately every four years; (2) on-going tracking of correspondence (both E-mail and conventional mail); (3) continual evaluation of direct mail source lists; (4) referrals from current corporate clients; (5) independent commissioned sales representatives who sell <u>Arizona Highways</u> books and calendar products to new vendors outside Arizona; (6) numerous trade shows, conferences and book festivals around the country where a customized <u>Arizona Highways</u> exhibit is displayed; and (7) utilizing current print media, Internet, and third-party vendors for new product placement opportunities and promotions.

For over a decade, ADOT has had two primary transit grant programs: The Rural Public Transportation Program and the Elderly and Persons with Disabilities Transportation Program. Both programs are 100 percent federally funded to date, administered by the Transit Branch of the Transportation Planning Division and nationally administered by the Federal Transit Administration. The Rural Program provides up to $1.8 million annually in federal capital and operating assistance.

The Elderly Program provides nearly $1,000,000 annually in capital assistance only, typically in the procurement of rolling stock (e.g., wheelchair lift-equipped and non-lift vans).

ADOT's statutorily mandated position in the public sector environment signals the fact that competition is virtually non-existent. The one true exception to this claim is the <u>Arizona Highways</u> business unit, which markets and sells its products through a traditional retail approach Consideration of these retail competitors, their clientele, and the potential customer markets is given through a variety of methods. These methods include "secret shopper" visits to competitive gift and specialty stores, attendance at specific trade shows, regular meetings with vendors to discuss new product lines and trends, inclusion of subscriber lists of competitive publications in the mix of direct mail targets, and direct contacting of customers of competitors to introduce the <u>Arizona Highways</u> product line, and to obtain feedback on the line, pricing, customer service and new developments in the business.

Aside from this unique ADOT retail function, perhaps the greatest "competitors" of ADOT business are really partners: (1) Arizona counties, cities, and towns, which own certain roads and byways; and (2) third party providers. (Third party providers work under contract with MVD as partners to deliver licensing and registration services to MVD customers.)

Specific to MVD, and in addition to third party providers, other methods of outsourcing products and services are employed, including the Internet, Interactive Voice Response, use of state prisoners to complete call center communications, and use of electronic pre clearance for motor carrier vehicles at some Arizona ports-of-entry.

ITD uses private sector entities to provide highway design and construction services to help ADOT meet commitments.

Other ADOT relationship-building activities include: taking a proactive response to legislatively-mandated changes, such as completing a video campaign regarding the Graduated Driver License for teenagers and updated customer service guides.

Key Products and Services Provided That Help Define Customer Groups	Customer Expectations	ADOT program(s) primarily responsible for providing key products and services
Highway and road infrastructure	Safe, effective, and efficient transportation infrastructure; fair representation of transportation needs at lowest cost.	ITD and MVD
Credentials, such as licenses, identification cards, titles, and proof of registration	Accurate motor vehicle-related credentials, short wait times in field offices, courteous and knowledgeable service, quick turnaround, and user-friendly accessibility to services and products (i.e., Internet use, especially.)	MVD *(and authorized third party providers)*
	Accurate aircraft-related credentials, courteous and knowledgeable service, and quick turnaround.	Aeronautics
Partnerships and Privatization	Open access to ADOT as a business partner before, during, and following contract negations; quick and knowledgeable responses to technical issues; guidance and fairness in matters of quality assurance.	MVD, ITD
Records and information	Accurate and timely information, including motor vehicle records and statistical data; legal testimony during court proceedings; input into development of legislation, regulations, and policies; fast and efficient incident response time; benchmarking and/or other business-related information.	ITD, MVD, and TSG
Airport Enhancements	Public forums to establish priorities for airport transportation system enhancements; fair representation in funding of prioritized needs.	Aeronautics

Figure 3-2

3.1a(2) In Figure 3-2, customers' expectations are shown in relationship to ADOT's key services/products. ADOT uses the strategic planning process as a guide to determine customer expectations. The Department analyzes the gathered data and other information to make changes designed to improve the way business is conducted. Customer-related data and feedback is obtained from:

1. Periodic surveys conducted by an independent research firm, which obtains data on public perceptions of ADOT's performance.
2. A formal information gathering process conducted yearly helps determine critical needs related to ADOT's Five-year Construction and Facilities Program for Highways and Airports for ground and air transportation users.
3. The Vision 21 Task Force, comprised of a large and diverse group of individuals and entities, provide input on the future direction of Arizona transportation issues.
4. A three-year Surface Transportation Improvement Program as required by the Federal Highway Administration obtains critical information from counties and regional transportation authorities.
5. Customer satisfaction surveys (written, automated phone, and Web-based).
6. Personal follow-up phone calls.
7. Trade shows and other public events where information is disseminated and feedback obtained.
8. Verbal and written (conventional and E-mail) communications from customers, including complaints.
9. Information gathering during radio talk shows where ADOT executive management interact with the public regarding current ADOT issues.
10. Letters to the newspaper and television commentary or news stories.
11. MVD field office self-evaluation called "Mystery Shopper."
12. Industry councils and advisory committees.
13. Public forums, including focus groups and town hall meetings.
14. State Transportation Board working sessions throughout Arizona.
15. Periodic partnering sessions held between ADOT and third party providers.
16. ADOT participation in national transportation associations.
17. Local government entities, local law enforcement, courts, Indian Tribal Nations, etc.
18. Interaction with the Arizona Legislature and Executive.
19. On-site survey cards issued to travelers.
20. Federal Highway Administration comments on ADOT's public hearing process.
21. An engineering review process, value analysis, is deployed where technical and non-technical staff and stakeholders review alternatives to proposed construction designs.
22. Inquiries received through ADOT's Legislative Liaison Office on constituent and legislative inquiries.

In relation to the Arizona Highways magazine, listening strategies include subscriber research study; and product reviews with key retail, wholesale, and corporate buyers, referencing performance and overall market trends. In

addition, annual performance reviews of each catalog item are performed (sent to over 600,000 homes each year), assessing sales velocity and general merchandise trends, and providing a key tool in refining the next catalog and in making new merchandise buying decisions.

Demographics play a significant role in the provision of services. As Figure 3-3 shows, Arizona has experienced a 40 percent increase in population in the past 10 years.

ARIZONA POPULATION As reported in the United States Census		
April 1, 1990	April 1, 2000	Percent Increase
3,665,339	5,130,632	40%

Figure 3-3

Of the 1,465,293 growth in population, 65 percent is in Maricopa County; 12 percent is in Pima County. Thus, the provision of services focuses extensively on serving this large customer segment, including the Regional Freeway Acceleration.

Technology and privatization/partnership techniques have become crucial components in formulating new service delivery methods. For example, a Third Party Program was implemented by MVD in 1993, and fully established in 1997, to proactively target and address customer needs. Between fiscal years 1997 and 2000, third party transactions increased 379 percent, from 271,000 to nearly 1.3 million.

ADOT also strives to improve its relationship building with its nationally recognized Partnering Program. ADOT works with engineering consultants and construction contractors as well as partners in other federal and state agencies, such as the Department of Public Safety, Federal Highway Administration, and the United States Forest Service. The objective is to develop a high quality, safe transportation system that takes environmentally sensitive issues into consideration.

Each of the third party and outsourcing methods, in conjunction with other significant process improvement measures implemented by MVD in its field offices and elsewhere in the division, have greatly facilitated MVD's ability to both identify customers and to serve them better. These measures include the implementation and continuing enhancements of technology in field offices to queue customers for services (called "Q-matic"); increased training and cross-training of field office staff; renewals by mail and phone; drop boxes in field offices for those customers who don't wish to wait in line; biennial and

permanent fleet registrations; extended driver licenses; and others.

Two fundamental MVD customer segments have been identified: (1) those who obtain license and registration services and products via field offices, and (2) those who use alternate methods. These two customer segments are targeted to improve services, products, and methods of delivery.

In 1998, legislation made it possible for all third party providers, including IBM, to retain two percent of the Vehicle License Tax collected and $1.00 for every registration and title transaction completed. This legislation was introduced with the advice, consent, and full support of the third party industry.

Prior to this change, average Internet transactions totaled 474 per month in October 1998, immediately following the legislative change in fees, transactions increased to 2,116. Increases have occurred nearly every month since then, culminating with 41,302 transactions in May 2001 and 300,997 total transactions for FY 2001 to date (June through May)—a remarkable 10,169% increase over FY 1998; and a 369% increase over FY 1999, following the cancellation of fees.

The Internet is a prime initiative of MVD in serving its customers better, faster, and at the lowest cost possible. Customer comments on Internet service continue to be reviewed each week and thoroughly analyzed and summarized each month.

At field offices, a brief printed survey asks five questions of customers. These postage-paid surveys are handed to each individual by the customer greeter, who requests that they complete the survey and either put it in the drop box or mail it at their convenience. (See Figure 7-3.) These results demonstrate to management that while wait time continues to be the number one customer concern for improvement, a high percentage of respondents are highly pleased with current service levels.

In addition to MVD, other ADOT areas also listen and learn from customers. The Transportation Services Group of ADOT Administration develops statewide strategic plans for the Intelligent Transportation System. During the planning process, focus group discussions take place with representatives from a wide variety of external user groups, including the trucking industry, towing industry, Department of Public Safety, emergency service providers, auto associations, citizens, local politicians, city and county officials, and many other organizations. Input

gathered as a result of these focus group discussions is incorporated into the strategic plans.

Public notices are distributed at large, calling for comment at public Council of Government meetings, or via mail, Internet, and fax. Constituents in their districts, local governments, planning organizations, chambers of commerce, the business community, and ADOT professionals also give feedback to Transportation Board members and District Engineers. These comments and other information and technical data combine together to help formulate ADOT's long-range 20-year transportation plan, which then congeals into a highly specific and targeted Five-Year Highway Construction Program.

The Vision 21 Task Force held many forums throughout the state to elicit feedback from constituents on Arizona's future transportation needs. As a result, a $20-billion funding gap between the current and future system has been identified. Discussions are continuing to determine how to overcome this shortfall.

Listening to the highway user and customer relationship-building are key components of highway maintenance where a "Level of Service" Program is in effect, called "Partnering With Our Customers for Effective Maintenance Management." Through citizen feedback, ADOT developed the Arizona Asset Accountability Program, which focuses on communication with citizens and policymakers.

ADOT also listens to aviation customers and prioritizes their needs based on the Priority Programming Process (See Figure 6-3). Included in this process are ADOT board policies, importance of the project to the airport, importance of the airport to the citizens and provisions from the priority programming law (Arizona Revised Statute. 28-6951).

Once all highway and airport project requests have been prioritized and matched with available funding, the Priority Programming Committee presents a tentative update of the Five-Year Program to the State Transportation Board. The Board authorizes release of the Tentative Program for review by the public. After release by the Board, the Tentative Program is distributed widely throughout the state to local elected officials, transportation agencies, and other interested parties. Public hearings are then conducted to obtain input from anyone who wishes to comment on the program.

3.2 Customer Satisfaction and Relationships
3.2a. Customer Relationships
3.2a(1) ADOT builds customer relationships by inviting the public to join in celebrating the opening of newly completed construction projects. ADOT invites residents to walk, bike, or skate on new sections being opened, where they enjoy live music, vehicles on display, and refreshments.

The Public Hearing Process is used to meet with and inform the public of upcoming transportation changes. On more urgent issues, ADOT works closely with the media to keep the public informed regarding key transportation issues. Scheduled meetings with cities, counties, and local government entities provide feedback and the opportunity to respond to public concerns. In addition, the motoring public receives updates several times an hour on road conditions through the Freeway Management System broadcast by local radio and television, and the Internet. Road closures and changes are publicly disseminated through the media to provide advance warning to the motoring public.

ADOT takes a proactive role to meet the needs of our customers by keeping them informed of policy changes and welcoming feedback. Agency representatives initiate and attend special-interest group meetings throughout the state to openly share and discuss issues of mutual concern and interest.

ADOT reviews customer and operational performance data related to financial information and socio-economic trends to develop and plan organizational and quality improvements. An external contractor conducts an annual statewide, comprehensive survey of ADOT's external customers. This survey is used to identify customer satisfaction and requirements. Results of this survey are published and distributed publicly. The results are used internally to:
1. Improve customer satisfaction.
2. Resolve short-term maintenance and traffic problems.
3. Plan long-term highway maintenance and constructions projects.
4. Plan and implement short and long-term public information and education efforts.

ADOT listens and responds to customer desires for shorter wait times in MVD field offices where license and vehicle registration-related services are provided. These four key customer surveys are used at MVD. (See Figure 7-3.)

- The first, used at field offices, asks five questions of customers. These postage-paid, printed surveys are handed to each individual by the customer greeter, who requests that they complete the survey and either put it in the drop box at the office or mail it at their convenience. Response rates are approximately 1.5 to 2.0 percent. Customers are also given the option to make a narrative comment.

- A second survey is completed on the Internet following the customer's completion of a transaction. Two basic questions are asked. The response rate for these surveys is approximately 59 percent. Customers are given the option to make a narrative comment. Internet customers can contact MVD by E-mail if they wish a personal reply. It is likely that these customers are comfortable with electronic communications, so it is expected that the Internet mode of access meets their needs. To help ensure satisfaction, a telephone number is provided if direct voice contact with a staff member is preferred.

- A third survey is completed on the phone following the customer's completion of a transaction and/or receipt of information through MVD's Communications Call Center. Each customer is asked if he/she would be willing to respond to an automated three-question survey. The response rate for these surveys is approximately one percent.

- A fourth survey is completed on the phone following the customer's completion of an electronic transaction via Interactive Voice Response. Each customer is asked if he/she would be willing to respond to an automated, three-question survey. The response rate for these surveys is approximately 18 percent. Customers are given an opportunity to record their verbal comments, which are later listened to and analyzed by staff.

The MVD Call Center is one of the most important opportunities in gauging customer expectations. This program is jointly coordinated with the Department of Corrections to train and employ prisoners to answer general questions from the public. Once trained, prisoners assist the public with questions pertaining to title and registration and other motor vehicle related issues. (These prisoners handle approximately 48 percent of all calls received by the MVD Communication Center each year.) Three general types of customer comments have been categorized by Call Center management: (1) those directed to or at a specific staff member, (2) those directed at specific field offices, and (3) general suggestions. The supervisor individually addresses the first type and the staff

identified, to include training if needed. The second type is analyzed to identify trends with specific offices and/or issues. The third type is discussed by management and in staff meetings. All appropriate suggestions are considered and implemented where possible.

Determining customer satisfaction and needs is accomplished through means other than formal surveys. For example, through a "Customer Astonishment" program, MVD provides a personal touch in offering quality customer service.

Third party providers, who have direct connectivity to the MVD records database, and customers with electronic access to motor vehicle records, occasionally have technical issues or problems. ADOT Support Desk personnel have been trained to answer questions and resolve problems for these customers. Third party providers handle complex customer transactions, so they frequently have questions relating to policies, business requirements or procedural steps. A Quality Assurance Unit is available for direct assistance from staff members.

From a highway user perspective, ADOT builds positive relationships with its customers by providing road construction updates and by giving advance notice to residents of construction schedules, including the distribution of flyers to affected residents, with information on alternate routes and timeframes for completion. Highway users consistently rate ADOT high during monthly surveys. (See Figure 7-4 for results.)

As a part of the Pima Freeway Noise Study, 18,000 door hangers were distributed to all residences within 1/2 mile of the freeway. Comments were requested on the freeway noise. To date, 550 responses have been received. Noise readings have been taken at approximately 15 to 20 locations, with a few isolated areas being identified that exceed an acceptable level of noise. The study will continue through the end of June 2001.

3.2a(2) So much of what ADOT does for its customers relates to completing credential-related transactions, such as driver licenses, identification cards, titles, and registrations. Increases in population and demands for mandated services have challenged MVD to find ways to meet demands while reducing the amount of time it takes to receive services. (The U.S. Census estimated the population of Arizona in 2000 to be 5,130,632. The number of customers served in field offices alone in FY 2000 was 4,576,300; in FY 2001, the estimate is 4,645,000.)

Major Interaction Points	Key Customer Requirements	Performance Measures	Standards Based On
MVD field office transactions	Short wait time in field offices Knowledgeable and Courteous staff Customer satisfaction	Reduce the average customer total visit time (door-to-door) to 23 minutes Serve 60% of all customers in 15 minutes or less Ensure 91% of customers rate experience as excellent or good	Customer satisfaction surveys Office of Excellence in Government analysis Legislative and Executive input Previous performance levels
Internet transactions (serves to reduce wait time in field offices)	Convenience and Speed Customer satisfaction with Internet service	Increase Internet transactions to 360,000 (from 181,000) Ensure 99% of customers are either very satisfied or satisfied with Internet service	Customer satisfaction surveys Legislative and Executive input Previous performance levels
Alternate renewal transactions (serves to reduce wait time in field offices)	Alternative methods to standing in line at field offices to complete transactions Convenience and Speed	Complete 67% of all vehicle registration renewals through alternate methods (Internet, Interactive Voice Response, Renew-by-mail, Third Party Offices)	Customer satisfaction surveys Legislative and Executive input Previous performance levels
Electronic delivery transactions (serves to reduce wait time in field offices)	Convenience and Speed	Increase electronic delivery transactions to 19.5 million (from 18.9 million)	Business requests for electronic delivery services Previous performance levels
Call Center transactions (serves to reduce wait time in field offices)	Short wait time on phones Knowledge and Courtesy of staff Customer satisfaction	Maintain a 1.8 minute average telephone wait time Ensure 78% of customers are satisfied with wait time Ensure 68% of customers state that information derived or transaction completed via phone saved an office visit	Customer satisfaction surveys Legislative and Executive input Previous performance levels
Technical support calls (serves to reduce wait time in field offices)	Short wait time on phones, especially for field office staff Knowledgeable and Courteous staff	Answer 75% of tech support calls within 2 minutes or less Reduce the average wait time to 2 minutes	Reduced wait-time initiative in field offices Previous performance levels

Figure 3-4

levels of management as well as through monthly updates on objectives and performance measures, which are reviewed and analyzed by executive leadership and strategic planning and budgeting support staff.

3.2a(3) ADOT values feedback from both internal and external sources and provides several avenues for customers to report complaints. Complaints are received in different ways:
- Verbally, to customer contact personnel
- Letters or phone calls
- Constituent referrals from legislators or the Governor's Office
- Surveys and suggestion cards
- ADOT Web page and E-mail
- Highway Hot Line
- Public Hearings and Meetings

All formal complaints and constituent responses are tracked and monitored via a detailed "Action Slip" process where customers are assured their concerns will be immediately investigated. Once the complaint is investigated, the customer is notified of the final disposition. (See Figure 7-27 for results.)

The Action Slip is channeled to the appropriate unit manager, who is charged with responding to the complaint. The Action Slip provides specific response instructions and a due date. The Director, and other management as a backup monitor, to ensure that the complaint will be resolved in a timely manner, monitors this process. Once

resolved, the Program Administrator determines if improvement opportunities exist for internal processes to avoid similar, future complaints, and/or improve customer service. These issues are routinely discussed at weekly manager meetings so that all programs are continuously aware of each other's operations.

Front line staff attempt to handle verbal and written complaints on the spot. If escalation is required, the complaint is referred to a supervisor or manager.

Written and electronic complaints are forwarded by the receiving coordinator to appropriate staff members, who reply directly to the customer. Copies of the reply are also sent to internal staff members as appropriate.

General complaints received from customers completing transactions via the Internet are studied to determine what kind of resolution, if any, is warranted. Numerous complaints indicating difficulties related to user-friendliness trigger actions needed to make system corrections.

Third party providers with procedure-related complaints can easily access MVD quality assurance staff, who have the capability to get online with a third party customer–computer screen to walk through problems electronically and provide on-the-spot corrections.

An investigation and resolution procedure is also in place for end-user customers who complain about service delivered by a third party provider. This involves direct

fact-finding with the third party, feedback to the complaining customer, and corrective action for the third party if necessary.

For the Arizona Highways magazine, Customer Service Representatives are the first line of contact. These persons are empowered to diffuse an issue by seeking a satisfactory resolution during the initial contact. If necessary, the issue is escalated to the next level of supervision and management. The Customer Service Representative's goal is to resolve all concerns within the same day. All concerns/complaints noted at any level are documented with comments on the customer's account.

Within the Partnering Program, both ADOT and its construction industry partners develop a written charter with a common mission and goals—an evaluation and issue resolution process, which allows issues to be resolved quickly.

3.2a(4) For those customers seeking credentials, constant attention is given to reducing wait times in field offices and making services more easily accessible. Customer satisfaction with field offices is a key agency objective reported by MVD (see Figure 7-26). It is also a significant factor in determining incentive pay for field office staff. Information is analyzed to identify areas for improvement and appropriate corrections or changes are made.

3.2b Customer Satisfaction Determination
3.2b(1) Aside from the statewide, annual comprehensive survey of ADOT's external customers by a contractor, several survey approaches are taken internally to determine customer satisfaction at MVD. Surveys for the methods of service delivery as shown in Figure 3-5 are distributed and received on a daily basis and are calculated and reported at least monthly. All customers are given the opportunity to offer feedback.

The Call Center has undergone a dramatic shift in the automated telephone script it uses to provide customers with general information and/or access to a customer service representative. What once took approximately 7-8 minutes to get through the automated script now takes about 30 seconds or less. This change occurred as a direct result of customer feedback.

3.2b(2) Whenever personal follow-up is needed, it is done by a staff member with responsibility or expertise in the particular transaction area. This can be either by telephone, E-mail, or written correspondence, or even face-to-face, depending on how the initial contact with the customer was received.

The Arizona Highways magazine determines customer satisfaction levels through subscriber research. A well-developed and well-executed survey provides unique insight into customer desires and expectations. By utilizing

MVD SURVEY RESULTS AND RELATED PERFORMANCE MEASURES	FY 1998	FY 1999	FY 2000	FY 2001 (July-March)
Field office overall satisfaction (satisfied and very satisfied)	N/A	86%	91%	91%
Average field office wait time (minutes)	N/A	29.1	15.1	15.6
Average field office total visit time (minutes)	N/A	37.5	23.6	23.9
Internet overall satisfaction (satisfied and very satisfied)	N/A	N/A	99%	99%
Internet transactions completed	2,931	61,922	180,214	226,396
Interactive Voice Response overall satisfaction (satisfied and very satisfied)	N/A	N/A	98%	98%
Call Center overall satisfaction (satisfied and very satisfied)	N/A	N/A	75%	77%
Call Center (phone transaction saved a trip)	N/A	N/A	67%	63%
Percent of calls abandoned	30%	14%	14%	19%
Average telephone wait time (minutes)	5.0	2.4	2.0	3.4

Figure 3-5

With regard to partnering, ADOT provides training that encourages a partner approach to its third party provider customers. This approach builds a more positive relationship and reduces the potential of adversarial attitudes. Periodic face-to-face meetings with third party partners also provide an opportunity for direct feedback to the MVD staff, giving them personal access to staff members at all levels.

a qualified research firm, questions are structured in a manner to elicit clear, usable responses. The qualitative and quantitative results are subsequently analyzed and presented to all members of the team. Areas of concern or unexpected responses are further cross-sectioned to determine the best course of action for that particular concern.

In working with the owner of a corporate aircraft or a weekend pleasure flyer, the Aeronautics Division's customer service motto is "we are here to assist you." The Customer Service Representative resolves the issue with the customer. If not resolved then it is elevated to the next level. Periodic meetings are held with the Team to discuss prior issues and how they were resolved, which is an educational process that should be shared with all members.

3.2b(3) Satisfaction surveys and wait time measurements for MVD field offices can be used as a benchmark to prompt third parties to match or better the MVD results. Satisfaction feedback results from Internet customers can be compared with MVD field office results to determine whether the Internet is on par or better than field offices regarding satisfaction.

For timely, actionable feedback, the Arizona Highways magazine staff conducts follow-up calls to all new corporate sales accounts and performs random callbacks to individual customers. This provides the sales team as well as customer service invaluable feedback on how ADOT should shape its business practices.

3.2b(4) Arizona Highways magazine customer satisfaction methods are kept current through:
- A major subscriber research study conducted approximately every four years.
- On going tracking of correspondence (both E-mail and conventional mail).
- Continual evaluation of direct mail source lists.
- Referrals from current and corporate clients.
- Independent commissioned sales representatives who sell Arizona Highways books and calendar products to new vendors outside Arizona.

- Attending and displaying a customized Arizona Highway's exhibit at numerous trade shows, conferences and book festivals around the country.
- Utilizing current print media, Internet and third-party vendors for new product placement opportunities and promotions.

The corporate sales department contacts customers of competitors to introduce the Arizona Highways product line, and to obtain feedback on the line, pricing, customer service and new developments in the business.

The Arizona Highways magazine staff conducts an annual performance review of each catalog item (sent annually to over 600,000 homes) with a view to analyzing sales velocity and general merchandise trends evident in the sales made. This provides a key tool in refining the next catalog and in making new merchandise buying decisions.

In the Aeronautics Division, customer approaches are updated through surveys, committees, and advisory boards. In addition, feedback is received through attendance at conferences, meetings and service on planning advisory committees to aid other aviation and in-house planning efforts.

In ITD, customer satisfaction approaches are kept current by working with the Federal Highway Administration, and by being active members on various national and regional committees and subcommittees. ITD works with peers in other states and partners in the federal government to share research information, and discuss policy changes that address concerns expressed by our customers.

4.0 INFORMATION AND ANALYSIS
4.1 Measurement and Analysis of Organizational Performance
4.1a Performance Measurement

4.1a(1) The infrastructure for ADOT's performance measurement system starts with the Governor's Strategic Direction for State Government. From that, key goals are identified for each agency. ADOT then focuses on its internal strategic planning process, which includes the origination of its five Goals, the Strategic Plan, three Department Strategic Issues, and eleven Key Performance Measures. (See Figure 2-1.) ADOT's Strategic Plan and Key Measures foster employee developed subprograms and key measures at each operating level of the Department. The subprograms define how the Key Performance Measures will be met and ensure that each succeeding layer supports its predecessor.

ADOT senior management reviews Strategic Plan performance and submits a Key Performance Measures report to the Governor monthly. As ADOT's significant business trends change either by legislative action, modifications in funding sources, and/or stakeholder demands, revisions are made and communicated to all affected levels. Similarly, each operating level reviews its performance and reports upward to facilitate the senior management's analyses. At the sub-program level, critical measures are reviewed on a weekly or even a daily basis as necessary. Data is collected, analyzed, and reported by the Office of Strategic Planning and Budget.

4.1a(2) MVD customer performance comprises four of ADOT's Key Measurement Performances. The 1999 Winward Cooley Customer Satisfaction Survey identified that many Arizona stakeholders rated ADOT based on their experience at an MVD office. In response, MVD has implemented a wide variety of programs, including the nationally recognized ServiceArizona program, to meet customers' needs and earn their satisfaction. (See results in Figure 7-1.)

ServiceArizona is a partnership between the Motor Vehicle Division and a third party. ServiceArizona allows MVD customers to complete many of their transactions via MVD's ServiceArizona Website or telephone. The program is customer-driven and MVD measures its effectiveness via the number of customers that utilize ServiceArizona versus an MVD office. The third party tracks and reports monthly the number of Internet Transactions and the results of an electronic Customer Survey. The ServiceArizona measure was chosen as an indicator of key operational performance because it reaches so many customers and is one of ADOT's core business functions.

Of MVD's key objectives, five of them target customer satisfaction performance issues (See results in Figure 7-3):
- Average customer total visit time (door-to-door) in field offices (minutes);
- Percent of customers waiting for fifteen minutes or less;
- Percent of customers rating overall service either Excellent or Good;
- Percent of written constituent inquiries responded to within 10 business days;
- Percent of constituent inquiries received via the Internet responded to within 10 business days.

MVD data is collected via Q-Matic™, B-2 Cash Drawer, review of recorded phone calls, document logs and electronically scanned customer surveys. Both Q-Matic™ and B-2 Cash Drawer systems electronically record customer wait and transaction time in the MVD office. The MVD Customer Service Program reviews the data for each measurement daily, weekly and monthly as appropriate and prepares monthly reports that are available to its stakeholders. For the first two items, the local MVD Office Manager and his/her staff also review the data daily. Using the data collected, staff input, and benchmarking with other state customer service programs, MVD is constantly reviewing/refining processes and procedures to increase customer performance against targets.

MVD is implementing an additional best practice customer service strategy (Shortest Service Time), modeled after a program used by the Virginia MVD. Shortest Service Time identifies the "most common" customer service procedures that require the least amount of time to complete. Then the MVD local office staff will make an extra effort to complete these procedures first, which results in shorter wait times for the majority of its customers.

The largest percentage of ADOT's annual budget is invested in planning, building (via contractors) and maintaining the State's Transportation Infrastructure. The Department utilizes a rolling Five-Year Transportation Facilities Construction Program for highway project development. The Financial Management Services Section forecasts annually the Department's revenues and expenditures using two financial models: 1) statewide and 2) Maricopa Association of Governments. Both models meet financial industry standards, and the results are reviewed for validity by independent financial consultants.

The Office of Strategic Planning and Budget collects data monthly to analyze and track the awarding of construction dollars. This is a major part of the delivery of the State Highway Infrastructure and is a key performance measure

directly linked to ADOT's mission. (See result in Figure 7-22.)

Human Resources gathers data in five areas relative to employees, i.e., Department Turnover by Classification, Age of Workforce, Discipline Actions by Division, Reasons for Terminations, and EEOC Complaints. The data is cross-referenced and analyzed to identify the most frequent factors occurring when an employee leaves the Department. They also collect data on the number of days it takes to process a hiring list, which is an additional indicator of overall operational performance.

Several Performance Measurements link directly to the State's Transportation Infrastructure, and the Department's mission:
- Statewide travel lane miles open to traffic – the availability of the system to its stakeholders;
- Pavement condition – the life cycle of the system; and the
- Fatality Rate – the safety of the system.

The Department's Five-Year Transportation Construction Program establishes the performance measures for State Lane Miles Open. Projects are segregated as to "additional lane miles" and "new lane miles". Lane miles are tracked, depending on the project, as centerline-miles, travel-lane-miles, auxiliary-lane-miles and/or striped-lane-miles. Each project has a beginning, and an open-to-the-public end date. Once a project begins, the ADOT District, accountable for the project transmits monthly Project progress reports. The data is collected and maintained by the Office of Strategic Planning and Budget. Additionally, the ADOT Field Reports Section prepares and submits a monthly Status of Projects Under Construction Report with "Percent (%) Completed" information on all ADOT highway projects.

ADOT uses contractors to build the highway infrastructure, however, it retains the accountability for maintenance. Pavement condition data is collected relative to this effort. Every year ADOT Materials Group (Materials Pavement Management Organization) inspects every mile of the ADOT transportation system for cracking (visual inspection), roughness, and rutting (mechanical inspection). The International Roughness Index is the used as the inspection criteria, which is used by every state with some variances in emphasis such as climate issues, population, etc. ADOT ranks very high in this category. (See results Figure 7-5.)

ADOT has little control over how its stakeholders drive; however, it is accountable for ensuring that the State Transportation Infrastructure is safe for driving. Therefore, ADOT's Traffic Engineering Group (Traffic Records

Section) tracks all reported accident and fatality rates for the system in the annual Motor Vehicle Crash Facts report. ADOT developed a strategy for reducing fatalities in Arizona, with the formation of the Highway Safety Team, a high-level partnering effort with external groups such as: Mothers Against Drunk Drivers, Students Against Drunk Drivers, Department of Public Safety, Federal Highway Administration, and local police and enforcement agencies. They meet monthly to develop strategies, create action steps, and check progress in their effort to reduce fatalities. (See results Figure 7-28.)

The Aeronautics Division is accountable for monitoring and supporting the safe and orderly development of the state-based aviation infrastructure. A primary measurement of the Division's performance in this regard is the registration of all Arizona-based aircraft, approximately 6,000 planes in 2001. The Division prepares monthly reports regarding registration performance for both the number of registrations and the revenue collected.

The Aeronautics Division also manages the Airport Grants and Loan Program totaling more than $15 million. They prepare a monthly report, which is included in the Financial Management Services Monthly Income Report. This report is available to all ADOT stakeholders.

Arizona Highways magazine's business goal is to achieve breakeven status each year. The magazine has adopted a publishing industry performance standard of annual subscription performance for its business strategy. The specific goal for FY2001 is to average 360,000 subscriptions. Subscription performance is tracked relative to: new subscribers, renewals, cancellations and newsstand sales, which is the least expensive way of securing new subscriptions. This data is used by the magazine marketing staff to help identify the best methods for marketing the magazine, to compete against the international competition for subscriber dollars. The magazine publisher reports budget and subscription performance variances-to-goal to the Core Team on a monthly basis.

Safety is very important to ADOT due to its high-risk exposure while working on highway construction and maintenance, facilities maintenance, equipment services shops, MVD enforcement, natural resources and in the Information Technologies Group. The Safety and Health Office staff measures all aspects of safety and reports monthly as an overall measure of organizational performance. Each month, every organization measures hours of exposure, number of injuries, lost time injuries, lost days, incident rate, frequency rate, severity rate, and type of injury. The data is compared against past performance in each category and is sent to all managers throughout the state. (See results in Figure 7-17.)

Constituent response is measured as an indicator of progress toward the overall Department objective to "respond to constituent inquiries directed to the Legislative Services Office within 10 working days, 95% of the time." (See results in Figure 7-27.)

4.1a(3) By statute, ADOT is solely accountable for Arizona's portion of the national Interstate Transportation System and the Arizona State Transportation Infrastructure. Nationally there are potentially fifty (i.e. dependant upon the assumptions regarding comparability of programs) Departments of Transportation to compare and benchmark performance against. These comparisons take place via the data the Department sends to the Federal Highway Administration, and while attending regional Department of Transportation conferences and seminars. There the participants share plans and benchmarks to maintain best practice standards for the development and maintenance of the transportation infrastructure. (See results Figure 7-6.)

ADOT representatives attend industry conferences and seminars sponsored by private sector partners where industry best practices and benchmarks are discussed. Additionally, ADOT's Research Unit reviews and summarizes industry articles and publications, which it distributes via monthly E-mails. Innovative programs such as ADOT's Design/Build and Use of Rubberized Pavement are two good examples of best practices that are shared between Departments of Transportation, industry, and private sector partners. The Intermodal Materials Group is nationally recognized for Rubberized Pavement development and the Department has recycled over 10 million tires to implement rubberized pavement technology. Rubberized surfaces are found to be more durable and provide a quieter ride.

4.1b(1) MVD uses ServiceArizona data to measure the effectiveness and efficiency of on-line transactions to serve customers. The program is internationally recognized as a benchmark for MVD best practices.

ADOT uses the forecasted results of Department revenues and expenditures to determine; (1) if and when it will need to issue bonds to meet project cash flow requirements and, (2) if bonding against future federal revenues will support the acceleration of planned highway projects, an ADOT strategic issue. If the data supports bonding, a project prospectus and request for permission to bond is presented to the State Transportation Board for their approval.

Once the bond is marketed, the Financial Management Services Section prepares monthly Variance Analysis Report for the Transportation Board, Core Team, financial

stakeholders, financial consultants and the ADOT Priority Planning Advisory Committee. The Variance Analysis Report tracks both Maricopa Association of Governments (i.e. project specific), and State (i.e. aggregate statewide projects). The State Transportation Board must approve any variance-driven changes to the program defined in the bond's prospectus.

The Variance Analysis Report also allows the Department to test its financial models for the Highway User Revenue Fund (HURF) and Regional Area Revenue Fund (RARF) projections. ADOT is testing a best practice process in this area. The Department's independent financial consultants are managing the Highway User Revenue Fund and Regional Areas Revenue Fund models, and Financial Management Services is validating their data. Together, the two methods of modeling act as a check and balance against each other.

After collecting data on the employee turnover rate, Human Resources developed a "litmus test" to assist management in identifying potential turnover situations. ADOT is committed to its personnel, as seen in its third goal, "To develop and retain a high performing, successful workforce." (See results in Figure 7-9.)

Using the Law Enforcement Accident Reports, the ADOT Traffic Records Section, in concert with ADOT Risk Management and ADOT Safety, analyzes the data to determine if the transportation system might have contributed to the accident. The results of this analysis are transmitted to the Construction and Highway Maintenance Group for consideration and the appropriate action.

Variances in the percent of construction dollars awarded versus planned are identified and, if negative, are resolved at the District level. Semiannually, the Office of Strategic Planning and Budget analyzes and cross-references this data to the Five-Year Plan, to determine and evaluate any variances. In many cases, this cross-referencing activity is the impetus for an ADOT breakthrough strategy regarding measurements and resources.

Materials Pavement Management prepares an annual report prioritizing the "repair, action, required" sections of the system. The Materials Pavement Management team meets with District Maintenance Engineers accountable for the identified sections, and together they develop a repair plan and budget. Materials Pavement Management also identifies the cause(s) for pavement failure. These causes are logged and the data used to develop expanded and improved highway maintenance procedures, better construction materials and/or design/construction processes.

The Core Team and the Financial Management Services Section review the Financial Management Services' Monthly Income Reports. The applicable aviation data is sent to the Federal Aviation Administration. The Aeronautics Division tracks non-registrants to determine their reason for failure to comply. This data is used to develop programs that reduce the number of "truants" each year. The registrations and accompanying fees help fund the Division's programs statewide.

Research was conducted with highway customers (in focus groups, phone and written surveys) over a three-year period, to determine what Level of Service is acceptable regarding highway maintenance. This helped to establish a target for highway maintenance, knowing the maintenance budget could not meet every customer requirement. Examples of maintenance reductions are the frequency of litter pick up and graffiti removal on the freeways. The research has, also, led to an increase in the frequency of dead plant removal and replacement.

4.1b(2) Problem-Cause Data Reports on Materials Pavement Management are shared with other state Departments of Transportation and ADOT contractors as a proactive approach to future system projects.

Financial reports regarding ADOT's bonds are published in national financial publications and are posted on ADOT's Internet Website. ADOT's objective is to earn an "AAA" rating for its bonds.

The Office of Strategic Planning and Budget combines the lane mile measures and prepares a monthly analysis and various graphic reports, which are transmitted to the Governor's Office, ADOT Core Team, ADOT Operations Team, various assigned District staff and stakeholders. The reports are also published on ADOT's Internet Website.

The Crash Facts Report is sent to the Governor's Office and the State Transportation Board. The information is also transmitted to the Federal Highway Administration for inclusion in their annual report. The Highway Safety Team's Action Plan Matrix is sent to the Governor's Office, the Federal Highway Administration, and to all the organizations that participate on the team.

Results of the mechanical inspection of pavement condition are forwarded to the Federal Highway Administration for inclusion in their annual National Highway System Length International Roughness Index report, which is available on the Federal Highway Administration Internet Website. This report allows ADOT to compare itself against the performance of "comparable" states, and to share best practice information.

4.1b(3) All of the various databases reported are a constant catalyst and guide for the development of ADOT's Strategic Plan, budget requests and the subprograms required to terminate, revise, expand and/or create ADOT's operating procedures and processes. For example, MVD's on-going Customer Satisfaction Programs continue to drive proactive changes in the MVD Offices' procedures and redefine the scope of its nationally recognized ServiceArizona Program.

4.2 Information Management
4.2a Data Availability
4.2a(1) ADOT's information infrastructure encompasses major systems, such as: Local Area Networks, Wide Area Networks, Electronic Data Interchange, Intranet, and Internet to deliver and achieve this critical performance measurement and the analysis function. Currently, approximately 4,800 (98.6%) of ADOT's employees have E-mail and Intranet capabilities and approximately 1,200 (25.3%) have Internet access. Additionally, ADOT's mission and vision statements, and performance measures are posted on ADOT's Internet Website for internal and external stakeholder review. ADOT's performance against Federal Highway Administration standards is reported on their Internet Website, facilitating benchmarking with comparable State Departments of Transportation nationwide.

ADOT allocates significant resources to ensure that the necessary databases and data portals are implemented, available, accessible, user-friendly and utilized in all of its daily operations.

4.2a(2) As a State agency, ADOT has a fiduciary responsibility to ensure that ADOT data is controlled and monitored for integrity, reliability, accuracy, timeliness, security and confidentially. This is especially true relative to the Motor Vehicle Records. Therefore, ADOT's Audit and Analysis Section regularly samples and verifies data pertaining to all key measurement areas. The audit team ensures that data meets the required reporting period by tracking electronic date stamping of random samples. Additionally, ADOT's Information Technology Group, Security Section enforces ADOT's policies and procedures regarding the security, confidentiality and use of agency data and information. Computer security training is provided to new users, and all employees are required to sign security agreements before being given access to the computer system. Violations of the agreement are grounds for termination.

4.2a(3) ADOT's employees, customers, partners and stakeholders, nationwide, expect real time, accessible data regarding the State's Transportation Infrastructure. To this

end, the agency utilizes E-mail, newsletters, Intranet and Internet sites, newspapers, public forums, and postings in ADOT and other government offices. In outlying areas of the state where interested parties do not have easy access to ADOT information sources, ADOT section heads are accountable for distributing the information (i.e., primarily through staff meetings). ADOT has established real time data-in/data-out schedules for the communication of specific reports to facilitate end user analysis and the implementation of appropriate actions. This system has proven effective for keeping internal and external stakeholders current with ADOT business needs, directions, and actions.

4.2b Hardware and Software Quality
4.2b(1) ADOT has been successful in acquiring funding through legislative appropriations for the "Refresh Program," in order to update and replace computers (i.e. desktops and laptops) and servers. Of approximately 5,000 devices in the Department, twenty-five percent are replaced every four-years with state-of-the-art equipment to take advantage of the latest technologies. The Information Technology Group is accountable for ADOT's hardware

and software reliability, appropriateness to task, and user-friendliness. As new application software is purchased or written in-house, an extensive software Quality Assurance Program is utilized to determine the software's compliance with Department standards. The Quality Assurance team executes rigorous testing scripts to determine any deficiencies in software products.

The Information Technology Group makes system-wide updates from a central location when changes are necessary. They use E-mail to communicate virus warnings and corrections to keep ADOT's computer system virus-free.

4.2b(2) ADOT's Chief Information Officer is aware of all Strategic Plan modifications and meets regularly with ADOT Assistant Directors and their direct reports to understand and anticipate future business plan needs and directions. These proactive relationships expedite the Information Technology Groups' response time, either software and/or hardware, to address revised operating technology challenges.

5.0 HUMAN RESOURCE FOCUS
5.1. Work Systems

5.1a(1) The overall human resource focus of the organization recognized in ADOT's strategic goal, is to "develop and retain a high performing successful workforce." The Department obtains a reasonable employee turnover rate in comparison to other state agencies, by achieving this goal.

Work and jobs are designed by the cooperative effort of management and employees, working together to align resources with the core business functions. Job descriptions are a result of changing requirements by both management and work teams. Positions are reclassified as warranted to meet these changing demands.

Completion of ADOT's daily processes and achievement of organizational plans relies heavily on natural work teams and cross-functional teams empowered by senior management to change processes in order to help both customers and the work force. Senior management supports a team structure designed to help teams succeed in meeting their own work area objectives.

Teams develop their mission statement, goals, and objectives based upon the tasking given to them, which includes consideration of customer requirements resulting from external and internal feedback. Once all preliminary steps are determined, an action plan is developed including timelines for completion of the project.

E-mail, pay check flyers, newsletters, meetings (middle managers, L-Team, Operations, and Maintenance Servant Leadership meetings), the ADOTNET (ADOT's Intranet Website), and the Director's Weekly Report all play a vital role in promoting communication and sharing knowledge/skills among work units and divisions throughout the Department. For instance, each group and district within ADOT is required to submit a weekly update to the Director's Office. The report covers "highlights," "lowlights," "current events/issues reported", and "contact with elected officials, Governor's office and media." Information is collected and the report is disseminated statewide, enabling employees and management to be informed, on a timely basis, regarding vital issues that occurred during the previous week.

ADOT created an Employee Representative Program whereby an employee is selected from each Division to travel throughout the state, becoming the eyes and ears for all ADOT employees. The Employee Representatives meet with management monthly to discuss the work environment, and opening two-way communication between management and employees.

Best practices and process improvements are shared monthly amongst the employees through five Incentive Teams operating in ADOT. Representatives from locations throughout the state meet and share ideas, then take them back to their organizations to discuss and implement. They also discuss the monthly customer survey results.

5.1a(2) The Tuition Assistance Program was developed to encourage employees to grow professionally, reach their full potential, and reinforce high performance. As outlined in ADOT's corporate policy and procedure (PER-15.05 Tuition Assistance), the employees are able to receive financial assistance for attending educational institutions to further their career within the Department. (See Figure 7-10.)

The Professional Development Hours Policy provides ITD employees in the Pay Plan; the opportunity for increased pay by obtaining the additional skills associated with specific job requirements. This extra pay motivates employees to participate in the training classes that will ultimately lead to promotions and advancements.

Employee Performance Appraisal System Planners provide employees with a clear understanding of work performance expectations, as well as the things they will be rated on during their next review. This planner, and the evaluation process, gives employees the opportunity to review their personal goals with their supervisor, and, also, how they envision accomplishing them. This two-way communication is essential to the employees personal and career development. The annual evaluation scores are used in the determination of merit salary increases, when the funds are appropriated.

5.1a(3) ADOT established Performance Based Incentive Programs, which utilize a financial incentive for work unit activity and performance improvements. Presently, there are approximately 2,100 employees who participate in these Incentive Team Programs. The teams are evaluated monthly on measures such as customer feedback, productivity, employee feedback, job quality, and other measurements specific to each work unit. These monthly evaluations are compared to established benchmarks that must be exceed in order to receive the incentive pay. Employees are eligible for $100 each month based on performance results measured against their established baseline. The program has positively impacted performance, and motivated the employees. Under this Pay for Performance Incentive Program, approximately 2,100 employees have been paid approximately $5.5 Million for improved job performance.

The Motor Vehicle Division established two highly successful recognition programs. First, the Goal Getter

Program was developed to reward the offices that meet certain objectives. Second, the Mystery Shopper Program evaluates the service provided by the Customer Service Representatives that perform MVD transactions.

Employees are also recognized in non-monetary ways such as the "Hug-A-Bear Program," which recognizes those employees who have confronted some of life's big challenges (i.e. accidents, surgeries, and just difficult times), and need some comfort. A toy teddy bear is hugged by co-workers and then sent (with all the hugs) to the employee. "Thank You Ribbons," "Circle of Excellence Awards," D.O.V.E. Awards (Developing Outstanding Vision in Employees) and "On the Spot Awards" are other such programs used by employees for these non-monetary type awards and recognition.

ITD hosts an annual "Road-eo," which is a competition recognizing outstanding skills in the operation of highway construction equipment. ADOT employees compete with cities, counties and private industry in different events involving snowplows, road graders, backhoes and other heavy equipment. The winners are sent to a national competition.

ADOT employees participate in two "Employee Recognition Days" each year, one hosted by the Governor's Office for all state employees, and another hosted by ADOT for its employees. ADOT's Employee Recognition Day is held in several locations throughout the state. Rural areas hold picnics, BBQs, games, and contests that are tailored for their particular area of the state. In Phoenix, the employees are given the time to participate and are served a lunch by management personnel, along with music, talent contests, various vendor displays.

ADOT awards employees for various milestones in their years of service to the state. Employees completing 5, 10, 15, 20, 25, 30, 35, and 40 years of service are awarded plaques, along with a gift of their choice. (See Figure 7-8.)

5.1a(4). State hiring practices prohibit pre-selecting an employee for any covered position. ADOT's executive leadership functions as a cohesive team comprised of highly trained individuals representing each division, so that any leadership changes that occur are smooth. The Department has developed the Engineers-In-Training Program (See Figure 7-12.) to recruit and train new engineers, for the key highly technical engineering positions. Individuals who have obtained a Bachelor of Science Degree in Civil Engineering are hired into the training program, and are taught all facets of ADOT's engineering functions. They are then placed into entry-level engineering positions throughout the state to insure ADOT's present and future business needs are met.

The Panel Interview Process is used to hire high profile or key positions, which allows for input from employees relative to the interview questions, the evaluation scale and methodology, and the interview itself.

5.1a(5). Team interviewing includes both the peer and supervisory levels. This unites team members and allows them to develop their interviewing and leadership skills. The Civil Rights Office, in conjunction with Human Resources ensures both diversity among the panel members, and fair and ethical hiring practices based on policies approved by the Attorney General's Office. All hiring selections must be approved and documented by the Civil Rights Office prior to any job offer being made, which ensures diversity in selection practices. All supervisors attend mandatory training classes relative to hiring issues and processes.

The Department uses the State Personnel Resumix system supplemented by announcements in various local state newspapers, job fairs, on-campus recruiting, Engineer-In-Training recruitment, job hotlines, and weekly E-mails containing all job openings. These announcements are advertised in other languages such as Spanish, Navajo in various local communities.

5.2 Employee Education, Training, and Development
5.2a(1) ADOT has established core competencies for major job classifications and all employees are required to attend training in five mandatory classes (18 hours), and a variety of other classes pertaining to the specific employee's job. Managers and supervisors must attend the Dynamics of Leadership Series (17 classes, 107 hours). Last year, ITD Technical Training provided 135 courses and trained approximately 1,700 ADOT employees.

MVD, through meetings with managers, supervisors and employees, identifies job responsibilities, expectations, and training needs in order to define the core competencies for the majority of its programs. Training has been developed in a series of training modules, where the Training Academy approach teaches both driver license and title and registration in an integrated "Shortest Serving Time" approach. This reduces the differences between these two functional areas, and provides employees with a unified program to enable a decrease in customer wait times. The Organization and Employee Development's objective is to provide a core curriculum of mandatory courses, so that the various training needs are identified by individual organizations throughout the state and then converted into actions in the strategic plan, after verifying their alignment with Department goals. Resources are then aligned to accomplish the training. (See Figure 5-1.)

Long Term Goals	Major Training Initiatives					
	Equipment Services	Technical	Safety	New Employee Orientation	Regulatory	Leadership
Improve the movement of people and products throughout Arizona.	X	X	X		X	X
Increase the quality, timeliness and cost effectiveness of our products and services.		X	X		X	X
Develop and retain a high performing, successful workforce.	X	X	X	X	X	X
Optimize the use of all resources.	X	X			X	X
Improve public and political support necessary to meet Arizona's transportation needs.		X	X		X	X

Figure 5-1

5.2a(2) To meet the organizational learning strategy, the Organization and Employee Development Office (the employee development unit) and ITD Tech (the technical training unit) partner with various divisions/groups to design and develop customized training for competency needs.

Additionally, ITD Tech conducts an annual training needs assessment for the entire state. Each district and group submits their technical training needs for consideration. ITD Tech then generates a work plan based upon those needs, and proceeds with obtaining the resources that best fits the request. ITD Tech also provides training tools and materials to the instructors to ensure consistency.

Training is based upon organization-wide needs, both current and projected. While some courses are mandatory for all employees (i.e., Ethics, Preventing Sexual Harassment, etc.), others are necessary to develop or enhance workplace skills. Supervisors and employees work together to schedule the appropriate training through their regional training coordinators. The supervisors are responsible for developing each individual's training plans, at the beginning of the evaluation period, during the employee's Performance Planner meeting, which includes identifying all training, required or requested, for the ensuing year. It is also the supervisor's responsibility to monitor the employee's training throughout the ensuing year.

5.2.a(3) The Department's New Employee Orientation Program familiarizes new employees with the various ADOT programs. Senior management and division representatives provide overviews of their particular functional areas. There is time for questions and answers, a description of benefits and services, and a road trip to a construction site, and other ADOT facilities. The program is enjoyable, informative and gives the new employee a positive experience, which hopefully is a catalyst for a successful and fulfilling career with ADOT.

5.2.a(4) ADOT has both a centralized and decentralized system for training. Data system, design process, and corporate training are all provided from a centralized source. Technical training is delivered from a source closest to the job. ADOT has 41 trainers, four corporate trainers and 37 employees in a technical training position. Of the 37 technical trainers, 14 are training coordinators who register students, input and track data, and design training plans for the Registrar System, which tracks training data.

MVD delivers it's training in a decentralized manner, where classes are typically conducted in Flagstaff, Phoenix and Tucson. Formal classes include a combination of lecture and collaborative (hands-on) training. Follow-up training is conducted on a one-on-one basis, or in on-the-job sessions. In-service training is provided to update previously trained employees regarding the latest changes.

Training is provided through a multitude of media, including interactive videos, cassette tapes, self-study programs, satellite, computer, Intranet, one-on-one, and traditional classroom settings. The Office of Employee Development

houses a library where books may be checked out, and offers customized training for after hours, weekends, and on-site.

ADOT partners with other public entities through the Local Technical Assistance Program, which provides training, technical assistance and technology.

Course evaluations and instructor evaluations help provide feedback to the ITD Tech and Organization and Employee Development Programs in order to improve or validate the training. Those employees receiving training through other learning sources are tested, and must receive a passing grade, before they are reimbursed for that class.

5.2.a(5) Levels three and four of the Kirpatrick model of evaluation, require that the employee be evaluated on the job using those skills acquired in training. MVD and Equipment Services have both been tracking this on the job performance. The MVD Training Academy instructors follow their students back to the field offices when the classroom training ends allowing on-the-job training, which ensures the student is able to perform their work as trained.

Upon completion of a course, the supervisors reinforce newly learned skills and knowledge by assigning employees to projects/tasks that will utilize their recent training. An ITD employee attending any out of state professional seminar, workshop, or conference, writes a synopsis of the event, and shares it with other personnel within the division. This synopsis effectively and efficiently communicates industry changes and improvements with the entire staff.

5.3 Employee Well-Being and Satisfaction
5.3a Safety is a high priority for ADOT and is measured at all levels throughout the Department, with an overall compliance monitoring by the state Occupational Safety Office.

An industrial database enables the identification of potentially hazardous areas and allows the implementation of prevention strategies. ADOT's Safety and Health Office monitors all accidents reported by employees, which are then compiled for each work unit, and high-risk areas are identified for intervention. Safety risk areas that are identified by the Safety and Health Office or employees are disseminated via global E-mail, Safety and Health Office monthly newsletters, Intermodal Transportation Division Tech newsletters, and staff meetings to ensure the "lessons learned" are made available to all employees. Work units are acknowledged in the ADOT Milepost publication for their outstanding safety records throughout the year (See Figure 7-17.)

The well being of employees is an important part of ADOT's strategic plan. Among the number of enhanced safety efforts, the Human Resource Team coordinates many programs to promote safety in the work environment, including drug and alcohol screening. Human Resources also oversees the benefits pertaining to the Family Medical Leave Act, and the Civil Rights Office administers the Americans with Disabilities Act.

Human Resources offers an Employee Assistance Program, whereby the program contractor (CONTACT) provides confidential counseling, referral, and educational services statewide to both the employees and their families. Employees are able to utilize this assistance to resolve problems that may affect either their personal or work environments.

MVD implemented the Supervisor Training in Accident Reduction Techniques (START) Program. Phase one (START I) is for managers/supervisors who attend two six hour sessions which enables them to teach the second phase (START II) to other employees, consisting of two sessions that are approximately 1½ hours each. These sessions address safety issues, situations encountered within the specific workplace, and promote safety awareness.

ADOT implemented the Accident Review Policy providing for a formal process that reviews all accidents in order to prevent them in the future. This policy allows for an accident review panel to establish a cause for the accident, and determine whether or not it was preventable. The preventable accidents would involve counseling with the employee, or equipment retraining to prevent future accidents. In addition, ADOT looks at near misses to help prevent accidents in the future.

In the Highway Maintenance Section, where the hours of exposure to hazardous conditions are high, the approach to measuring safety has changed. In the past, the number of employees attending mandatory monthly safety meetings was once measured. Now the Maintenance Section measures the current safety performance against the past safety performance, at the district level, regarding incident frequency, severity, and lost time work hours.

An accident notification policy is in place, which allows the Department to act quickly following an accident, in order to ensure the proper things happen and the necessary data is collected to prevent a reoccurrence.

5.3b. Employee Support and Satisfaction
5.3b(1) In support of the ADOT strategic goal to "develop and retain a high performing and successful workforce," the executive team, along with input from employees during the

strategic planning process, determined certain leading indicators of employee well-being, satisfaction, and motivation. These are: employee complaints, grievances, exit interviews, the turnover rate, the number of safety incidents, contributions to charitable activities, absenteeism, and annual employee survey results. ADOT has the lowest employee turnover rate of similar sized agencies in Arizona (See Figures 7-9, 7-11 through 7-17.)

5.3b(2) Some services, benefits, and actions, which support ADOT employees, are:

Accrued sick and vacation leave
Adopt-a-Family during holidays
Arizona State Retirement System benefits
Carpool benefits and reduced price for bus tickets
Child day-care discount program
Compensation for unused sick leave at retirement
Covered parking for car-pools
Deferred compensation
Discount ticket sales for vacations and sports
Donated Leave Program - contributions of annual leave
Drug and alcohol assistance for those who self-identify
Flex Hours
Full-choice menu of medical and dental benefits
Grievance process for quick resolution to problems
On-Call and standby compensation
Pay for Performance Incentive Programs
Professional Development Hours
Recognition leave
Short and long-term disability program
Telecommuting
The "Employees Helping Employees" Campaign
Tuition reimbursement
Updated policies and procedures
24-hour a day Employee Assistance

ADOT supports a diverse work force through its sponsorship of the following:

- Equal Employment Opportunity Counselors to counsel others in areas such as discrimination and issues that affect working conditions.
- The Women's Resource Group assists with the special needs of ADOT's female workforce.
- La Voz, a group organized by Hispanic employees.
- ADOT's Creating Pathways to Opportunities training provides employees a career path and an opportunity to make positive life changes.
- Employee Representatives make sure employees receive clear communication and are represented when the Executive Core Team makes decisions that affect employees.

5.3b(3) ADOT uses several methods to measure employee satisfaction:

- The Annual Employee Survey (not conducted in 2000 due to turnover in Human Resource Leadership.)
- Monthly employee feedback survey from the incentive programs (measures communication, morale, training, personal contribution and personal safety.)
- Exit Interviews.
- Annual insurance survey (measures employee satisfaction with benefits.)

5.3b(4) There is a direct correlation between a skilled and knowledgeable staff, and the Department's ability to collect revenue and deliver the transportation program within the established timeframes.

MVD's turnover of its Customer Service Representatives impacts its level of customer service. Turnover in the engineering field directly affects ITD's ability to deliver and maintain the freeway system. ADOT's management has researched the root causes of turnover, and has taken the necessary action during FY 2001 to begin to deal with these problems.

6.0 PROCESS MANAGEMENT
6.1 Product and Service Processes
6.1a Design Process
6.1a(1) As indicated by ADOT's mission statement, ADOT has two primary functions: to develop and operate the transportation infrastructure and to license and register the users of the transportation infrastructure.

To develop and operate the transportation infrastructure, ITD employs the Project Development Process depicted in Figure 6-1.
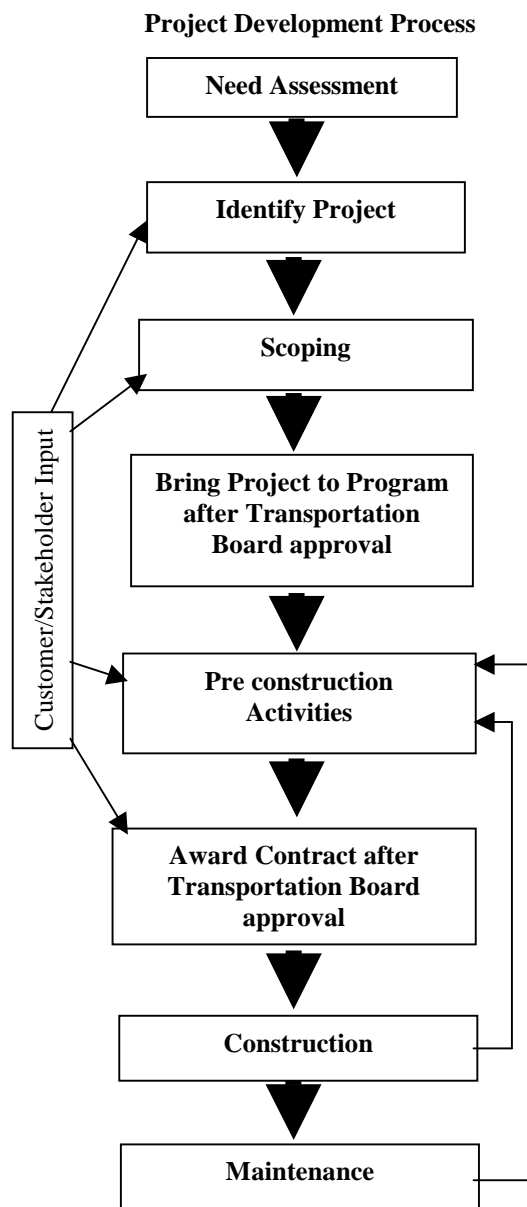
Project Development Process

Customer and stakeholder input occurs during the Needs Assessment phase of the development process. Needs are identified and submitted to ADOT Districts, Council of Governments, Metropolitan Planning Organizations, and the Transportation Planning Division.

The Scoping Phase determines what, how, and when a project will be done; who will do it; and how much it will cost.

Maintenance and Construction staff, citizens, and stakeholders all have input at the pre-construction activities phase which includes design, right-of-way acquisition, environmental clearance, utilities clearance, and joint funding.

Customers and stakeholders have input again at the Transportation Board approval phase through Transportation Board members who represent them in various areas of the State.

All other product and service design is accomplished using the process model illustrated in Figure 6-2.
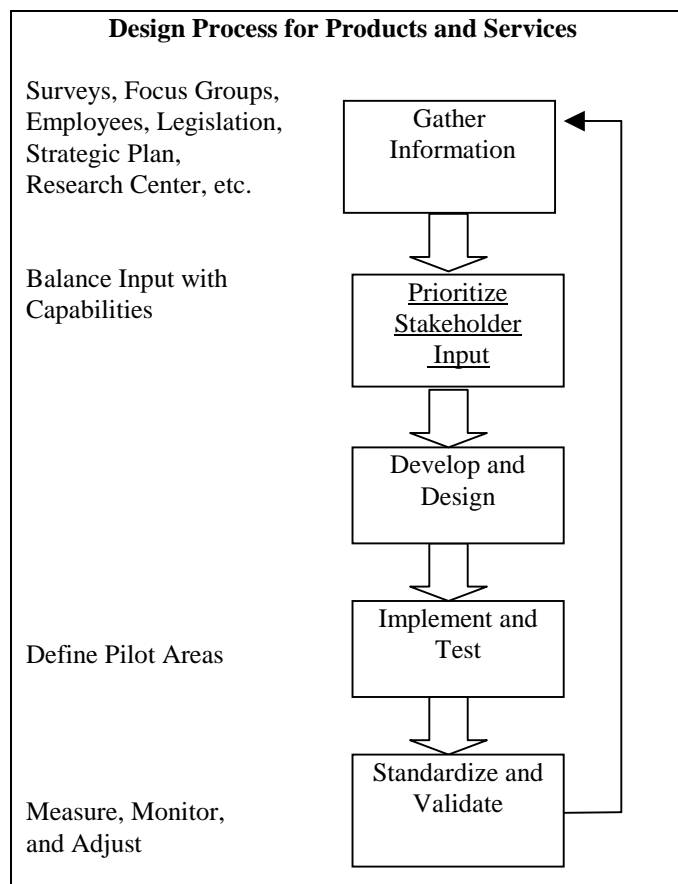
Figure 6-1

Figure 6-2

6.1a(2) ADOT believes stakeholder involvement is a critical step in the development/operation of the transportation infrastructure and in the licensing/registering process. Therefore, ADOT is committed to involving stakeholders early in each process.

ADOT utilizes a variety of methods to obtain information from key stakeholders to determine customer requirements and incorporate them into the design of products and services. Some of the methods are: an environmental analysis of strengths, weaknesses, opportunities, and threats (SWOT), a Winward-Cooley Customer Survey, focus groups, town halls, and gatherings (Note: A "Gathering" is a coalition of Regional Planning Area Representatives and ADOT staff. To-date, 20 official "Gatherings" have been conducted.) These have led to the development of the Intelligent Transportation System and the significant changes that are occurring in licensing,

registration, transportation infrastructure, and revenue management. (See satisfaction results in Figure 7-1.)

ADOT develops a Five-Year Transportation Construction Program for highways and airports under the "Priority Programming Law." The "Priority Programming Law" in Arizona Revised Statutes 28-111, establishes a process and guidelines used by the State Transportation Board in prioritizing road improvements and projects. This law is designed to establish a program that is responsive to citizens' needs throughout the state while remaining free from special interest pressure. The program is updated annually and provides a method for prioritizing projects and allowing Arizona citizens to "have a say" in what is selected. (See Figure 6-3.)

Changing customer/market requirements are incorporated into the "Project Development Process" at several points.

Priority Programming Process
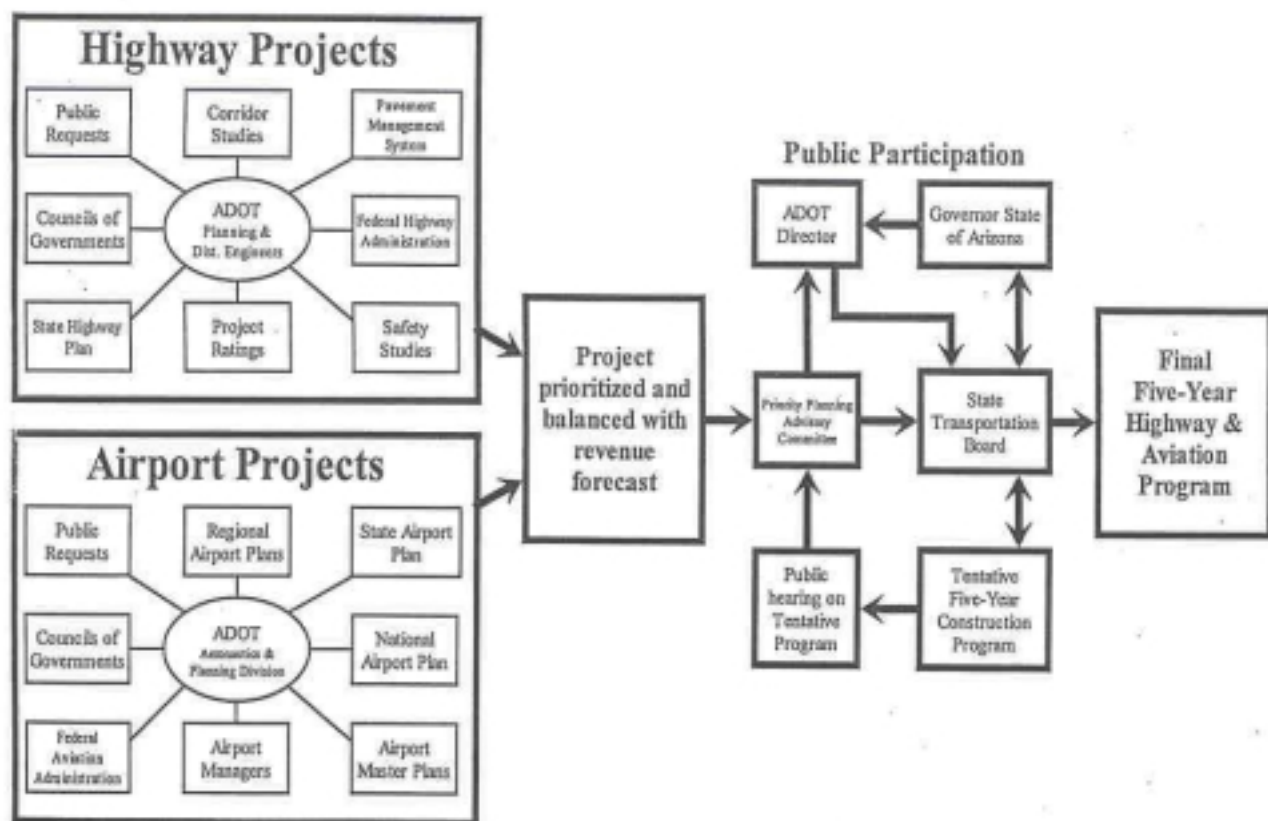
Figure 6-3

During the need assessment stage, the Transportation Planning Division (TPD) works with the Council of Governments and Metropolitan Planning Organizations to ensure the citizens of those respective regions are able to provide input into the process. Each Metropolitan Planning Organization and Council of Governments provides a regional forum for analysis, discussion, and resolution of issues relating to the areas of transportation and regional development. These regional forums provide input regarding the effects on local governments and regions on transportation planning and priority programming. During the design stage, Maintenance Planning is consulted to ensure that future market requirements are considered.

Changing customer/market requirements are incorporated into the licensing process in several different ways and are dependent on available resources. How a changing customer/market requirement is handled also depends on the source of the requested change. Twenty-two examples of customer-related data and feedback methods are listed in Category 3, Customer and Market Knowledge.

6.1a(3) New technology is incorporated into products, and services processes by collecting information from a variety of sources and translating that information into designs that will meet the needs of the customer as well as those of the organization. Input is obtained from many sources. These include surveys, customers, legal requirements as set forth in statute, goals and objectives from the agency's strategic plan, employee improvement teams, industry councils, advisory committees, public town hall sessions, phone calls, public forums, Arizona Transportation Research Center, and partnering with stakeholders, suppliers, and customers. Process owners use the customer input to prioritize the development of processes within the scope of the strategic plan and the agency mission.

The Arizona Transportation Research Center is another example of how ADOT evaluates new products and supplies prior to purchasing quantities for use on the roads and highways. The research staff, along with the suppliers, end users, product designers, and sometimes competitive suppliers meet to evaluate materials and determine if they meet the specifications determined by ADOT and Federal requirements for the job. The outcome of these Product Evaluation Committees determines whether or not a product will make it to the "product list" for future purchases by the Department. Anyone, internal or external to ADOT, can ask that a product be evaluated. There is an appeal process for disputes and the whole process is evaluated at the end to see if the process meets expectations and business requirements. ADOT process owners measure response time (to the request for evaluation), percent of product approvals/rejects/appeals, and results of appeals to ensure integrity of the process.

Yet another design process is the way ADOT invites input on new technologies, products and services through the purchasing process. "Requests for Proposals" are sent to solicit information at-large about products, technologies, and services available. This method allows ADOT to publish requirements to solicit new and creative recommendations that meet business needs. Purchasing staff attends seminars and national events to keep current on marketing trends, new technologies, and product development. ADOT received national recognition on a 20/20 Broadcast with the use of new technology: shredded rubber from old tires for resurfacing roadways. The Department is often the benchmark for others when it comes to new technologies.

The introduction of new technology into the development and operation of the transportation infrastructure is conceived at the program level. However, the integration of new technology must be considered at each stage of the Project Development Process, and the functional area that will be utilizing the technology must determine the feasibility of using any new technology. Funding for new technology is obtained at the program level; therefore, to maintain business continuity, a high degree of coordination is required when introducing new technology into the development and operation of the transportation infrastructure.

6.1a(4) and (5) ADOT is committed to maintaining the highest quality while pursuing strategic initiatives regarding licensing. A Quality Assurance unit does an independent check of transactions to ensure the work performed by third parties meets the requirements of the citizens of Arizona. In addition, MVD has instituted a rigorous public awareness program to increase usage of the Internet option. The education program has explained the Internet option via public service announcements, commercials, news releases and inserts in customer registration renewal mailers.

Part of the Project Development Process is the Priority Programming Process (See Figure 6-3.) During the earlier stages of the Priority Programming Process inputs from the public, corridor studies, safety studies, and the pavement management system, among others are considered to prioritize and balance each project with the revenue forecast. Once the project is prioritized and balanced with the revenue forecast, there is more public participation prior to the project's inclusion in the final Five-year Program. By including these inputs early in the design phase of the process, maximum value is attained.

In addition, the Maintenance and Construction sections have input into the Project Development Process during the pre-construction design phase as a way to anticipate

construction and maintenance problems early in the process.

6.1a(6) When introducing new types of services and products, ADOT establishes pilot programs to measure the impact. Pilots have been used for privatization and cross-training efforts, incentive programs, and collaborative training techniques to determine the impact of the program prior to full agency-wide deployment.

All designs and changes to existing services and products are based on a continuous improvement process, but the process always begins with the collection of information from relevant sources. The process emerges as part of a team effort, sometimes in formal partnering sessions or through the use of cross-functional teams. The goal is always to ensure that customers and internal experts can work together to develop the "best" outcomes that meet needs while complying with relevant legislative mandates. Focusing on customer needs and identifying areas of previous customer dissatisfaction helps ensure new products and services are real improvements.

ADOT uses the Product Evaluation Process to interface with industry experts and suppliers and to get specifications updated to allow greater competition in the biding process. There are several subcontractors established including materials, traffic, maintenance, proprietary structural elements, and pipe subcommittees.

6.1b Production/Delivery Processes
6.1b(1) ADOT's key products and services are illustrated in Figure 6-4. Key performance measurements are created and monitored at every level of the agency. During the creation of the performance measures, care is taken to ensure that performance measures are in alignment with ADOT's mission. To ensure alignment at every level of the agency, four questions are addressed:

1. Does the performance measure align with the strategic plan?

2. Is the performance measure important to the customer?

3. Is the performance measure important to management?

4. Can we collect the data?

Performance measures that are determined to be in alignment with the strategic plan are important to the customer, are important to management, and whose data can be collected, are formally added to the ADOT Strategic Action Plan. Once included in the ADOT Strategic Plan, each performance measure is assigned an owner/sponsor who is responsible for monitoring the action plan steps and progress toward the accomplishment of the objective. (See Figure 6-4.)

At the agency level, eleven key performance measurements have been identified as being important to determining our progress toward our agency goals. (See Figure 2-1.)

6.1b(2) To ensure key performance requirements are met, ADOT conducts a three-tiered, comprehensive monitoring of the key performance measures. The three tiers of monitoring occur at the 1) Organization level; 2) Division level, and 3) Department level. At the organization level, the owner/sponsor reports the status of their performance measure on a monthly basis to respective division director. Successes and failures for each measure are discussed and changes made as necessary. At the division level the division director and senior managers review performance measures on a quarterly basis. Based on the outcome of this review the division director provides an update to the operations team twice per year. At the Department level, in addition to the review performed at the monthly operations meeting, goals and measures are assessed on a monthly basis and progress is reported to the Governor's office.

Multi-level reviews are to assess the progress being made toward meeting the goal/objective. If a performance measure is not on track, an analysis is performed on the measure to pinpoint the problem. Problems and solutions are identified as early in the process as possible so that necessary changes can be made. A typical change may be to update an action plan to include more accurate information.

Key Products and Services

Key Processes	Performance Requirements	Measures	Standards	Control Strategies
Develop and operate the transportation infrastructure	Increase Statewide travel lane miles	Number of statewide travel lanes open to traffic	17,770 lane miles	Accelerate program delivery monitoring
	Increase travel lane miles open to traffic in the Phoenix District	Number of statewide travel lanes open to traffic in the Phoenix District	1,833 lane miles	Accelerate program delivery
	Award construction dollars	Total program dollars for awarded projects v. planned program dollars	$701 million	
License and register	Maintain customer visit time	Customer visit time	23 minutes	Training clear and precise procedures
	Ensure timely customer service	Customers served in 15 minutes or less	15 minutes or less	Training clear and precise procedures
	Increase Internet usage	Cumulative Internet transactions	30,000 trans per month avg	Advertising Informational inserts
	Ensure customer satisfaction	Monthly customer satisfaction results	91% rate overall satisfaction as excellent or good	Training feedback
	Maximize use of MVD call centers	Number of calls - average telephone wait time	2,050,000 1.8 minutes	Training Attain/Maintain a full staff
	Minimize the days to process an aeronautics application	Days to process	3 days	
	Constituent Response	Days to process	10 days	Follow up action process developed and implemented

Figure 6-4

6.1b(3) The key performance measures/indicators are derived from a variety of sources and depend in good part on the type of measurement. Two possible sources of key performance measures are customer surveys and Governor requests. For example, customers have stated their desire for shorter visit times in MVD field offices. As a result, ADOT determined that the outcome measure of average customer total visit time and the efficiency measure of percent of customers waiting for 15 minutes or less, would best gauge our progress toward meeting this customer desire. Control strategies and key performance measures are shown in Figure 6-4.

6.1b(4) Each key process has its own set of inspections or process checks. In ITD, all materials supplied by external vendors are sampled and tested prior to, during, and after each job. Every concrete pour is inspected to see that it

meets specifications. Aggregates undergo stringent compliance testing where they are measured, weighed, and checked for compaction before the pavement is accepted. In order to control the cost of quality and the cost of testing, ADOT operates its own material testing laboratories statewide.

Internal audits are performed on key processes to ensure they are intact and that all aspects of the job are being monitored, documented and performed to specifications. Reports are issued with corrections identified, and quarterly follow up reports are issued until corrections are made.

MVD randomly monitors phone conversations with the public at the Call Center to verify performance and quality assurance of this key process. MVD also deploys a

"mystery shopper" to evaluate customer services in the MVD field offices.

6.1b(5) Production and delivery processes are improved by five operating Incentive Teams and by work teams using process improvement strategies.

In ITD the Maintenance Incentive Team receives incentive pay for improving 21 production activities that are performed on a regular basis. All process improvements are shared in a monthly written report and they are discussed in a meeting of the statewide Incentive Team Representatives every month. The process improvements result in an average of 21 to 28 percent reduction in the cost of materials, labor, and equipment for the Department.

Other production processes are discussed and improved at the operations meetings where progress toward the strategic plan objectives is discussed. When shortfalls occur, or negative trends appear, the productivity processes are checked and improved by process owners to get on track with the anticipated outcomes. This methodology is used at many levels throughout the Department.

6.2 Business Processes
6.2a Business processes
6.2a(1) ADOT has two main business processes that are considered most important to doing business, partnering and privatization. Opportunities for using partnering and/or privatization are varied and can be either internal or external. (See Figure 6-5.)

The business process of partnering has been formally addressed in the creation of the Partnering Office.

Business Processes

Key Processes	Requirements	Measures	Standards	Control Strategies
Partnering	-Increase work efficiency -Maximize program delivery -Build and strengthen relationships	1. Quality 2. Communication 3. Issue resolution 4. Teamwork 5. Schedule	Performance level of 3.0 to 3.4	Jointly develop and identify * Mission/goals * Partnership guidelines * Work roles and responsibilities * Communication, issue resolution and evaluation agreements Objectively measure quality, communication, issue resolution, teamwork, and schedule Create an issue resolution process that: 1) promotes agreements to avoid impasses, and 2) empowers those closest to the work to resolve the issues
MVD third party contractors	-Increase number of Internet transactions -Increase number of electronic delivery transactions -Increase number of third party Level 1 vehicle inspections	-number of Internet transactions -number of electronic delivery transactions -number of third party Level 1 vehicle inspections	-30,000 per month -1.6 million per month -39% of total	-Partner with third parties to maximize the shared resources -Training

Figure 6-5

Partnering is a formal process for establishing ethical agreements and productive working relationships. The partnering process is used to develop and sustain collaborative teamwork. The Partnering Office supports partnering in three business relationships: project partnering, public partnering and internal partnering. Project partnering is among and between ADOT and contractors, public partnering is among and between public agencies, and internal partnering is between work units within ADOT. Partnering has virtually eliminated arbitration and litigation costs.

Privatization is a business process that involves contracting for the services of professionals outside of ADOT for the purpose of more efficiently meeting its mission. As a state agency, ADOT is required to work within the Arizona Procurement Code. Working within the Procurement Code promotes fair, open and equitable competitive opportunities for vendors through the use of bids and/or proposals. In some situations, using competitive bids/proposals is too time-consuming to be efficient. In those situations, ADOT has worked with the Legislature to enact legislation that enables ADOT to conduct business outside the confines of the Procurement Code. ADOT currently uses contractors that are exempt from the Procurement Code to perform 100% of construction and 90% of the design work.

6.2a(2),(3), and (4) Partnering has emerged as a process, and adopted into its culture, whereby ADOT and its partners:
- jointly solve problems
- increase work efficiency
- improve project development and delivery process
- maximize program delivery
- provide services that exceed customer expectations
- develop innovative products
- build and strengthen relationships, and
- enhance work processes, plans and functions.

One advantage of the partnering team concept can be seen in the issue resolution process. An issue resolution process that has been agreed upon by both parties promotes agreements to avoid impasses and empowers those closest to the work to resolve the issues.

6.2a(5) An integral part of partnering, the Partnering Evaluation Program, allows the Partnering Program to be self-regulating. One of the key components of partnering is to jointly develop an evaluation agreement between the partners. The evaluation agreement serves two purposes. It defines the expectations of the partners for all parties at the beginning of a project. Subsequent to project completion, the evaluation agreement provides a mechanism for

assessing performance. The lessons learned are then collected/shared for future partnering efforts. The Partnering Program gives feedback to contract facilitators to improve their performance at subsequent ADOT partnering sessions.

Contractors are evaluated based on their performance in accordance with the applicable contract. For those contracts that are subject to the procurement code, opportunities for improvement are identified and integrated into subsequent contracts. Contractors hired outside the procurement code are evaluated in accordance with their respective program. For instance, MVD third party contractors are subject to continuous monitoring by a quality assurance unit.

6.2a(6) Partnering efforts are monitored at two levels. First, each partnership evaluates itself by using the Partnering Evaluation Program. Second, performance measures that are linked to ADOT's Strategic Plan are monitored individually and as part of the family of partnerships that have occurred over time. Scores below the standard deviation receive quick intervention by the team to resolve the issues.

6.3 Support Processes
6.3a Support Processes
6.3a(1) ADOT's key support processes and their key requirements are shown in the following list. Key performance requirements for the support processes at ADOT are determined by identifying customer needs. Key operational requirements are tied to the needs of the customers in performing daily work activities, meeting goal and measuring processes.

The Transportation Services Group (TSG) primarily supports ADOT's operational functions. TSG is committed to supporting daily operations and employees.

6.3a(2), (3), (4), and (5) The Transportation Support Group incorporates a variety of tactical planning techniques to link the organization's key functions. Initially, the Transportation Support Group Manager/Chief of Staff scans the environment to determine key requirements for support services. An integral part of this assessment includes meeting with each of the assistant directors/division directors to determine the level of service each division requires from each of the support services. Additionally, internal customer feedback and surveys are considered.

Once customer requirements are determined, the customer requirements are communicated to the senior managers. The senior managers have the responsibility of ensuring the

requirements are met. ADOT's strategic planning process is used to ensure the customer requirements are met. Also, cross-functional teams are generally formed to ensure the action plan is adequate.

See Figure 6-6 for a listing of key support processes with their respective requirements, performance measures, standards, and control strategies.

6.3a(6) Each support function monitors action plans on a day-to-day basis. In addition, there are multi-level reviews of key performance measures. These reviews occur at the

Department level, the division level, as well as the organization level.

6.3a(7) Adherence to the strategic plan ensures improvement of the support processes over time. By monitoring progress, compiling performance information, and keeping the action plans on track, the strategic planning process keeps ADOT on track to meet its strategic initiatives.

Support Functions and Processes

Key Processes	Requirements	Measures	Standards
Information Technologies Group	Replace all outdated personal computers and servers	% of PCs/servers replaced	75%
	Maintain the availability of all platforms	% of time mainframe available	99.9%
Human Resources	Reduce number of days to process a hiring list	Number of days to process a hiring list	20 days
Equipment and Facilities Services	Maintain level of overage and obsolete equipment in the ADOT Fleet	% of equipment past replacement criteria	27.9%
	Achieve target cost avoidance savings	Cost avoidance savings	$65,000
	Limit value of over-aged fleet	Value of over-aged fleet	$43.1 million
	Increase the efficiency and effectiveness of the Motor Pool operation	% increase in revenue	100%
	Implement 60% of an electronic billing statement project	% of project complete	60%
Procurement	Purchase equipment, materials and services		
Financial Mgmt Services	Achieve targeted cash balance levels	Year-end cash balance	$273 million
	Achieve targeted RARF cash balance levels	Year-end cash balance	$42 million
	Achieve targeted Aviation cash balance levels	Year-end cash balance	$12 million
	Meet HURF forecasting performance targets	HURF revenue forecast range	+2/-1%
	Meet RARF forecasting performance targets	RARF revenue forecast range	+2/-1%
Training	Implement a competency-based training program for Equipment Services	% of project complete	100%
Safety and Health	Reduce safety incident rate	Safety incident rate	8.65
	Reduce industrial accidents	Number of industrial accidents	13
Arizona Highways Magazine	Increase average paid subscriptions	Average paid subscriptions	360,000

Figure 6-6

7.0 BUSINESS RESULTS
7.1 Customer Focused Results
7.1a Customer Results
7.1a(1) and (2) Performance improvement regarding customer satisfaction, resulted in an expanded awareness of organizational performance in the eyes of the customer.

Customer perceptions, expectations, needs, and attitudes are assessed during the annual Winward Cooley (now Cooley) survey of what Arizona citizens think about transportation. See Figure 7-1 for the overall customer satisfaction rating from this survey.
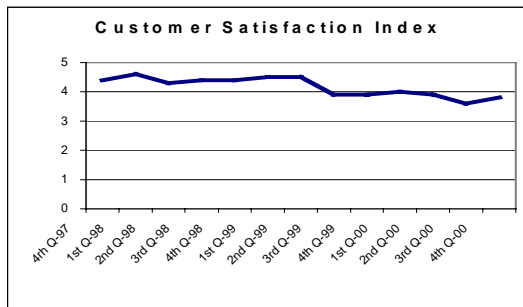
Figure 7-1

Figure 7-2, from the same survey, shows that nearly 2/3 of the customers feel freeway planning and design has improved.
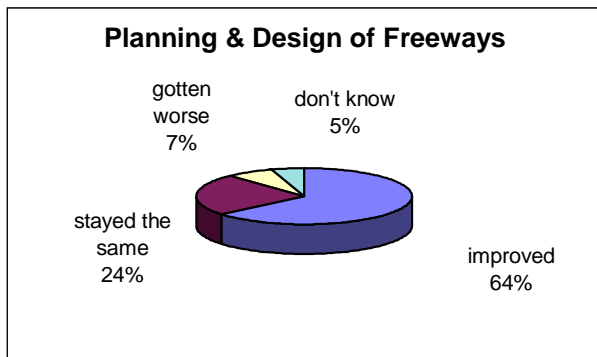
Figure 7-2

According to the annual survey, MVD customers using the Internet and Interactive Voice Response System are also very satisfied, and customers who call MVD through the Call Center are more satisfied this year than last. Overall, the majority of the MVD customers are satisfied with the various methods of service delivery as demonstrated in Figure 7-3.
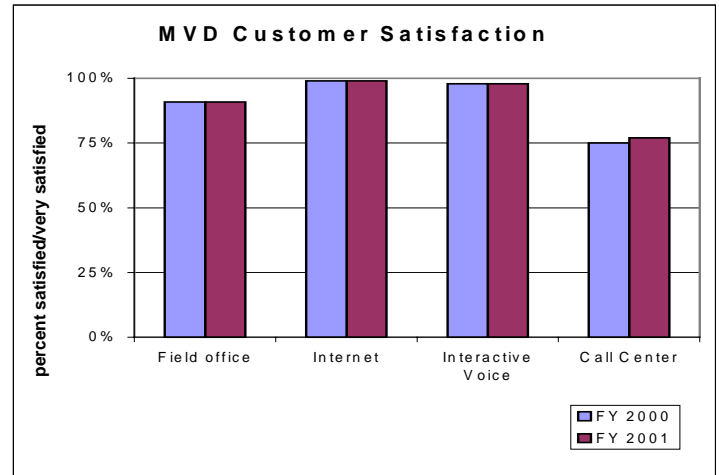
Figure 7-3

Customers in both the rural and metropolitan areas of the state are surveyed each month regarding the timeliness, courtesy, and quality of highway maintenance and repair. Scores remain consistently over baseline as shown in Figure 7-4.
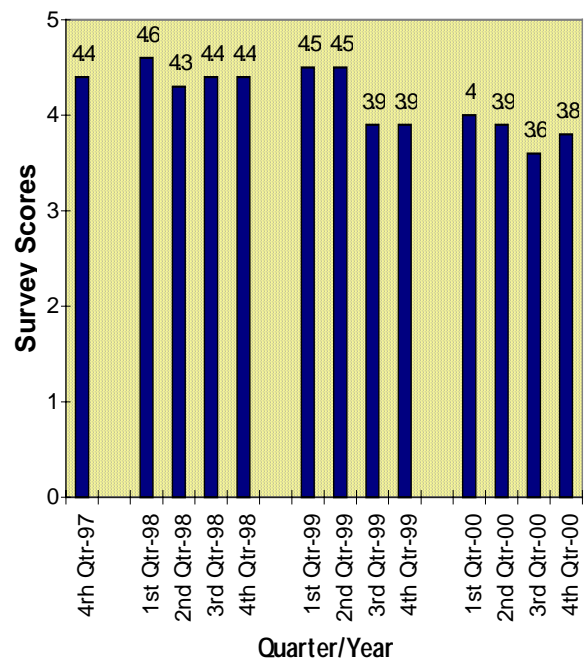
Figure 7-4

7.1b Product and Service Results

One large ADOT customer segment is the motoring public, who expect the roadway to be in good condition and the pavement to be smooth. ADOT's ability to deliver pavement smoothness is better than prior years due to improved materials, equipment and application techniques. This improvement is shown in Figure 7-5 where ADOT is compared to the target level of smoothness (--------).
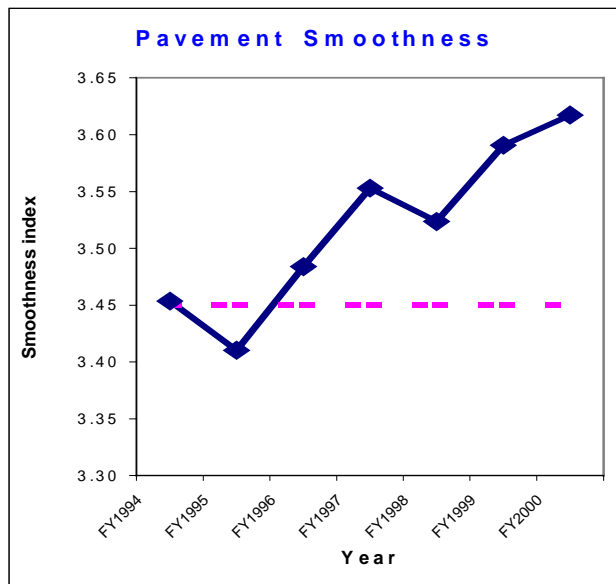
Figure 7-5

7.2 Financial and Market Results

7.2a Financial and Market Results

7.2a(1) ADOT is nationally recognized for its sound financial management and award winning financial reporting system. The Department is one of only two state transportation authorities that have received Standard & Poor's AAA rating for highway revenue bonds. ADOT has also received the Government Finance Officers Association Certificate of Excellence in financial reporting for the State of Arizona Comprehensive Annual Financial Report for several years. ADOT received the "Distinguished Budget Presentation Award" for six consecutive years.

Another indicator of ADOT's financial performance is its Comparative Ranking to other States in Cost Effectiveness of State Highway Expenditures. As shown in Figure 7-6, ADOT spends more than other states resulting in roads that are in better condition.

Measurement (*Denotes only relative system size)	Arizona	National Average
System Miles *	6,620	16,211
Lane Miles *	17,398	36,101
Receipts/Mile	$200,353	$87,613
Receipts/Lane Mile	$76,248	$39,342
Capital Outlays/Mile	$139,917	$50,901
Capital Outlays/Lane Mile	$53,239	$22,857
Maintenance Outlays/Mile	$11,184	$14,761
Maintenance Outlays/Lane Mile	$4,256	$6,628
Administrative Cost/Mile	$8,871	$5,845
Administrative Cost/Lane Mile	$3,375	$2,625
Total Disbursements/Mile	$206,907	$85,936
Total Disbursements/Lane Mile	$78,729	$38,589
% Rural Interstate Poor Condition	0.2%	2.4%
% Urban Interstate Poor Condition	0.0%	7.2%
% Other Rural Poor Condition.	1.7%	0.9%
% Urban Interstate Congested	20.4%	40.2%
% Deficient Bridges	5.3%	28.2%
Fatal Accidents/100 Million VMT (Vehicle Miles Traveled)	2.19	1.55

Figure 7-6

Successful deliverance of the state highway system depends upon having adequate funding sources and managing those resources well. Accurate forecasting has reduced the risk of highway project delays due to over-estimation of revenues. Funds must be available to pay for roadway segments when they are built. ADOT's cash management practices have allowed the accelerated build out program for the Phoenix area Regional Freeway System, as well as planned construction in the balance of the State to stay on schedule. These practices involve utilizing revenues flowing into the Highway and Regional Area Road Funds from taxes as well as federal funds. Additionally, each of these revenue sources is used to collateralize the revenue bonds issued in furtherance of ADOT's construction program. These combinations of financial tools have enabled ADOT to keep its building program on schedule. The current construction program requirements are depicted in Figure 7-7 below.

FY 02 - 06 Tentative Program Estimated Cash Balances
Cash Flow Basis
Dollars in Millions
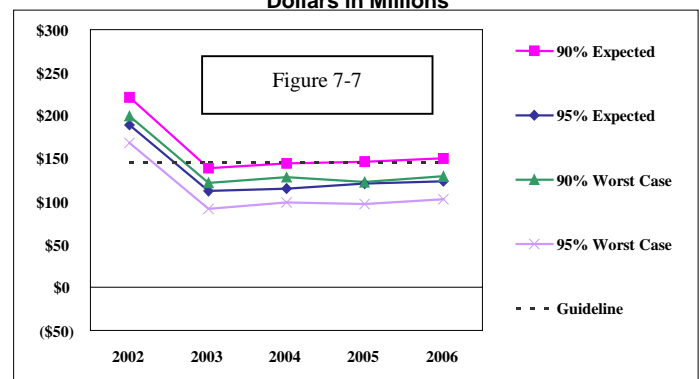
Figure 7-7

7.3 Human Resource Results
7.3a Human Resource Results
7.3a(1) ADOT uses a variety of indicators for employee well being and satisfaction as shown in Figures 7-8 through 7-18.

Approximately half of the ADOT workforce has received Years of Service Awards in the past three years as shown in Figure 7-8.
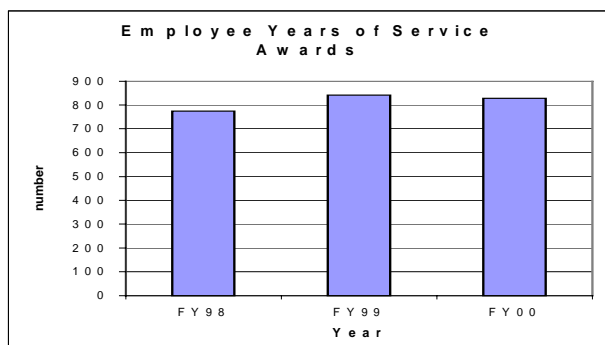

Figure 7-8

ADOT is one of the largest state agencies and it has a lower employee turnover rate when compared to other state agencies, as shown in Figure 7-9.
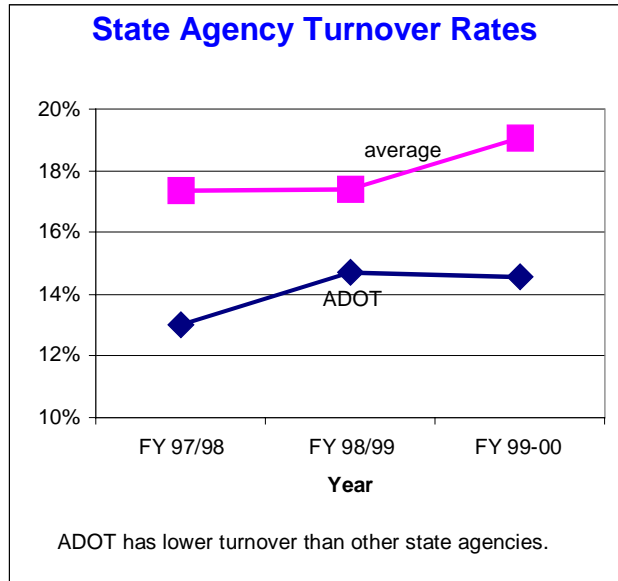

Figure 7-9

ADOT also provides tuition assistance (see Figure 7-10) to employees who enroll in, and satisfactorily complete, eligible course(s) offered by accredited colleges, and other approved institutions. Employees are eligible for up to $315 tuition reimbursement and $75 for books for a three credit-hour course.
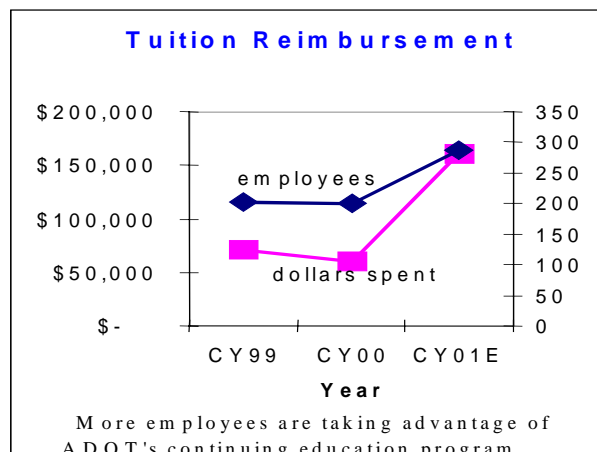
Figure 7-10

ADOT further supports employees through panel training and self-study courses that provide specialized education to staff that must maintain or obtain professional designation (such as certified public accountant, certified internal auditor) For example, the Office of Audit and Analysis provides annual training to those auditors required to comply with the requirements of the "Government Auditing Standards." One result of this training is that during the November 2000 certified internal auditor examination, one of ADOT's auditors received the highest grade amongst the 9,300 candidates from 61 countries who took the exam, and was given special recognition at the International Conference of the Institute of Internal Auditing in Buenos Aires, Argentina in June 2001.

Employee satisfaction is measured monthly for employees participating in the Performance-based Incentive Programs. The measurement is based on personal support and contribution to the team, communication, morale, training, and empowerment. Even though no incentive monies are tied to this measure, the scores remain consistently high as seen in Figure 7-11.

Average Employee Feedback Score
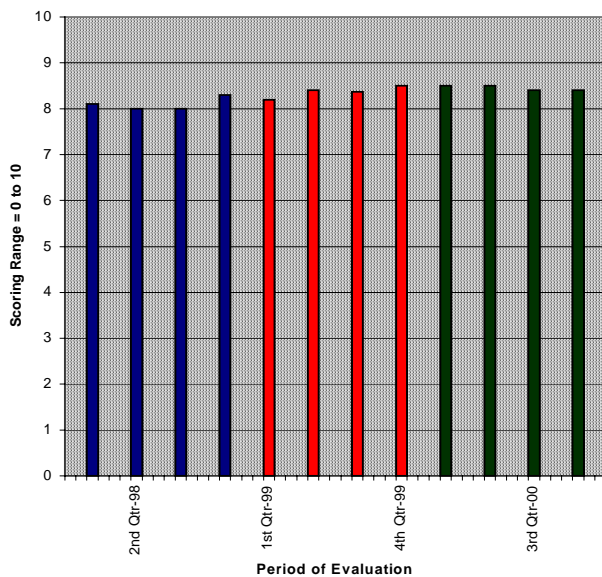
Figure 7-11

ADOT plans for the future of its technical engineering workforce through its Engineer-In-Training Program. ADOT is able to train and retain new engineers for its future business needs. Its ability to retain engineers remains high, as shown in Figure 7-12.
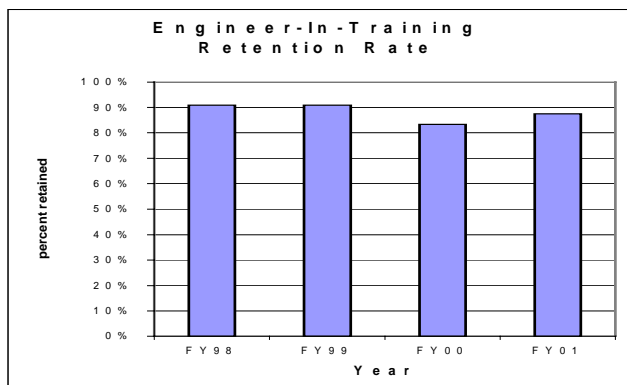
Figure 7-12

Retaining engineers is critical to the future business of ADOT. Because of the high turnover rate in the engineering field, ADOT developed and implemented a unique pay plan in an attempt to retain qualified engineers. The turnover rate appears to be declining as a result of this program.

Unplanned absences have been consistently less than the baseline target per work unit in the Maintenance Incentive Program which represents 17% of the total ADOT workforce. This is another indicator of good employee satisfaction and morale. These results and trends are shown in Figure 7-13.
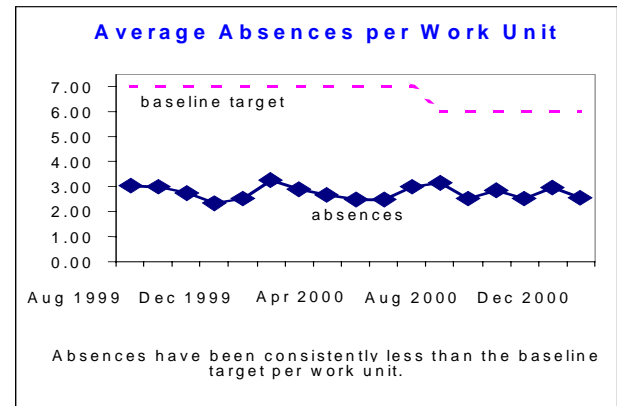
Figure 7-13

Employee contributions are another measure of employee satisfaction and well-being. ADOT employees are generous, and freely give to others throughout the year. Contributions have more than doubled over the last five years. See Figure 7-14.
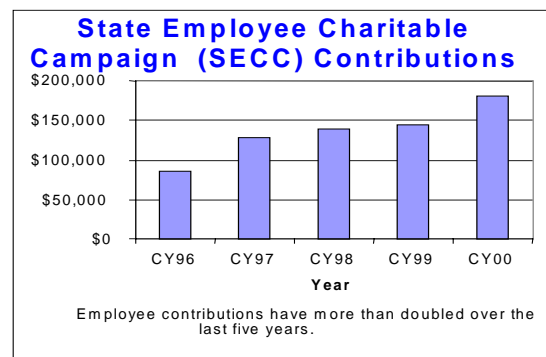
Figure 7-14

Employees help each other is through the Donated Leave Program, where leave can be donated from one employee to another for use during an extended illness or absence for medical or family emergencies. Figure 7-15 demonstrates that ADOT employees are generous and giving. This is another indicator of high morale and employee satisfaction.
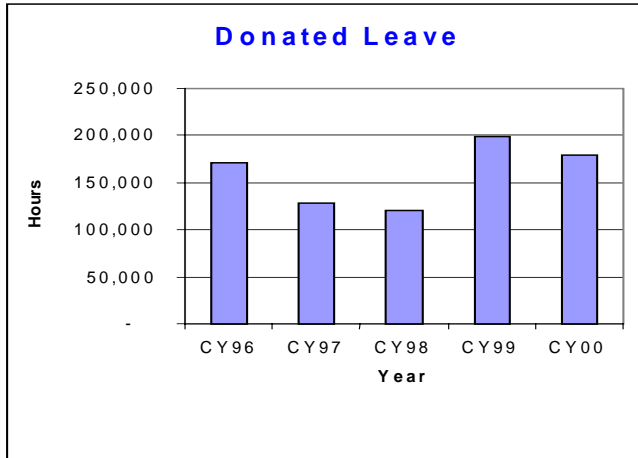
Finally and perhaps most importantly, providing a safe work environment is a primary focus for ADOT. The following chart (Figure 7-17) serves as ADOT's primary indicator of safety in the workforce. It is also a key agency objective and measurement that senior management reviews monthly. The data shows that ADOT's overall agency incident rate is in decline and beats the industry average.

Donated Leave

Figure 7-15

ADOT vs. Industry Average Incident Rate
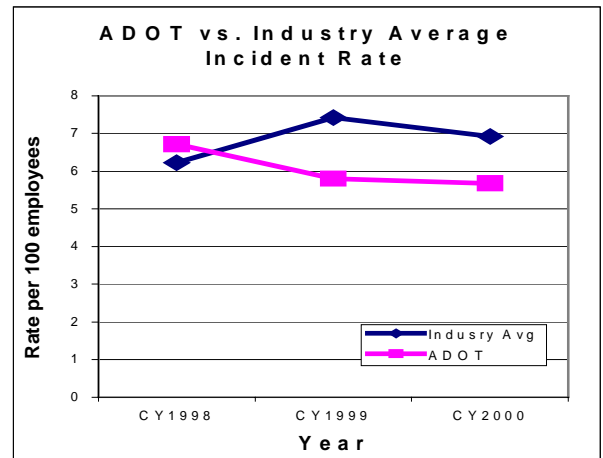
Figure 7-17

Additionally, as depicted in Figure 7-16, the number of grievances has substantially declined in recent years

Employee Grievances
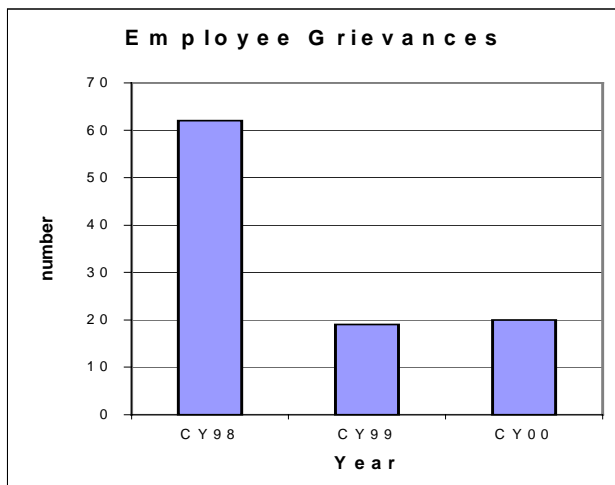
Figure 7-16

7.3a(2) ADOT reinforces high performance by its employees through Performance-based Incentive Programs. Previously mentioned staff is compensated for their efforts in workplace improvements resulting in savings. By way of example, Figure 7-18 shows the savings generated by the Maintenance Incentive Team and the compensation it received for a high level of performance.

The Performance-based Incentive Program has paid a total of $5,546,204 (*see below) to maintenance employees for their participation from 1996 through May 2001.

*1996	$	8,786
*1997	$	293,402
*1998	$	985,096
*1999	$1,215,564	
*2000	$1,582,275	
*2001	$1,461,081 (through May only)	

Maintenance Incentive Payments Vs Savings

ADOT has saved over $14 million through its Maintenance Incentive Program
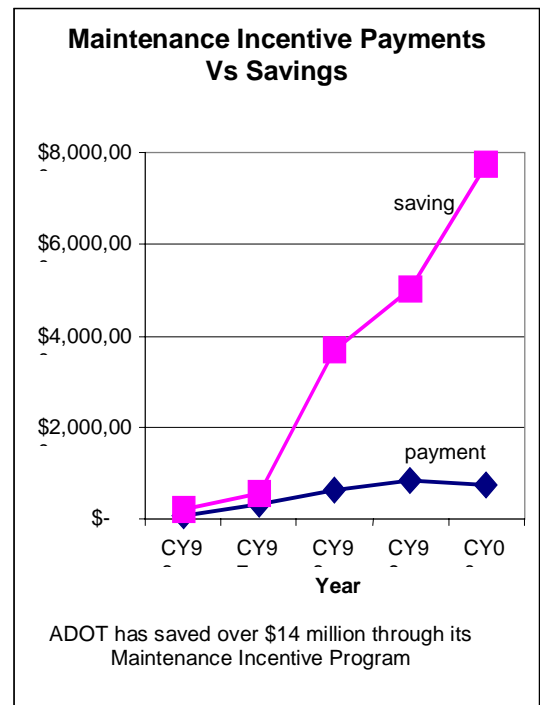
Figure 7-18

7.4 Organizational Effectiveness Results
7.4a Organizational Results
7.4b Public Responsibility and Citizenship Results
Overall organizational effectiveness is best measured by ADOT's performance vis-à-vis its key objectives and measurements. The agency goals, accompanying objectives and current performance measurements follow:

ADOT Goal 1 (Goals and Objectives are numbered for reference purposes and not for relative importance) is to: "Improve the movement of people and products throughout Arizona." One of the agency's Key Objectives associated with that Goal is to increase the number of Travel Lane miles open to traffic in Arizona during the current Calendar Year to 17,770, an increase of 224. As of this writing, 40 travel lane miles have been added Figure 7-19. Analysis shows that ADOT is running slightly behind schedule due to weather delays and problems in securing labor. Nevertheless, while certain projects have been delayed, this Objective will be met.

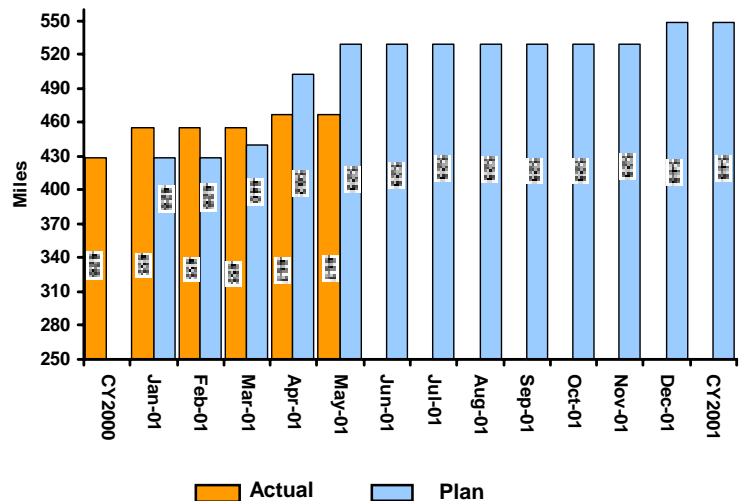**Statewide Travel Lane miles open to traffic**

Figure 7-19

Actual   Plan

Regional Freeway System Travel lane miles open to traffic
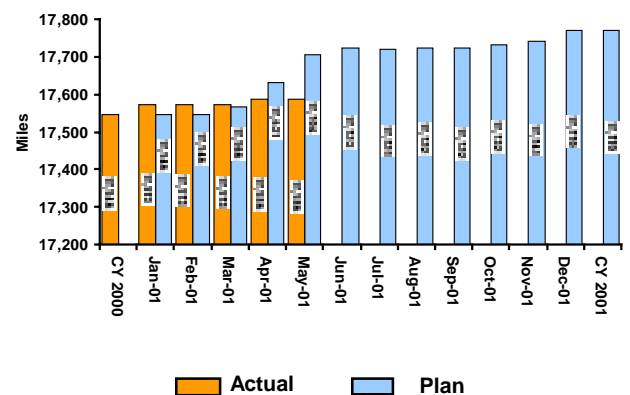
Another ADOT Key Objective associated with this Goal involves the Maricopa County Regional Freeway System. The agency has a plan in place to accelerate the completion of this Project by seven years, from its originally planned completion date of 2014 to 2007. That acceleration plan is on schedule. The current year's portion of the plan calls for an increase in Travel Lane miles of 120, for a total of 548. For the same reasons as stated above this current year's Objective is slightly behind schedule, but the reasons have been diagnosed and the Objective will be met by year-end Figure 7-20.

Figure 7-20

Travel Lane miles open to traffic - Phoenix District

Not all of the state roadways within the Phoenix Metropolitan area are part of the Regional Freeway System. Nevertheless, with the Phoenix area containing over 60% of the state population, achieving the first agency Goal would not be possible if roadways in this region were not completed timely. In the short term, most of the Phoenix District's construction activities *are* involved with the Regional Freeway System, however. Hence this Objective for the current calendar year overlaps with that of the Regional Freeway System, the addition of 120 Travel Lane miles. And, for the reasons stated above, the Objective for the current year will be met Figure 7-21.

Figure 7-21
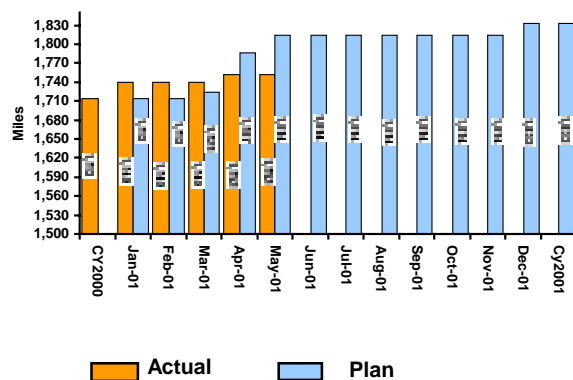
Another of the Key ADOT Objectives that aligns with Goal number 1 is to ensure that 90-100% of the funds that are planned to be awarded by the State Transportation Board are, in fact, awarded during the fiscal year. This is in the early stages of the life cycle of a roadway. That is, if contract awards are not made timely, the roadway itself will not be open to traffic as originally planned. In the case of the Regional Freeway System, this could have harsh consequences for mobility. As can be seen from Figure 7-22, as of May 2001, this Objective was being exceeded.

Planned Vs Awarded

Figure 7-22
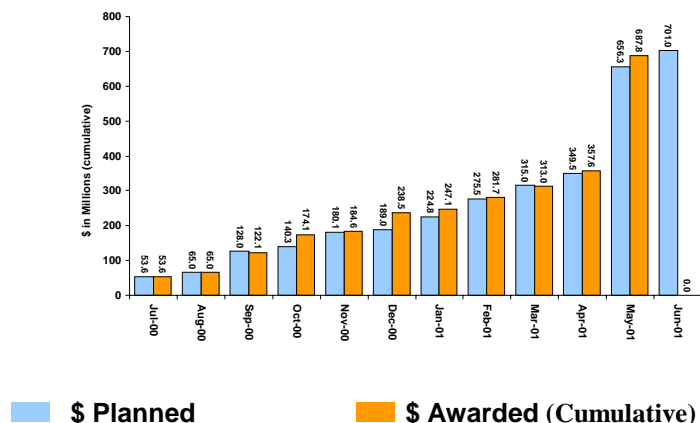
ADOT's second Goal is to: "Increase the quality, timeliness, and cost-effectiveness of its products and services." One of the Key Objectives that the agency has set to attain that Goal is to maintain an average customer visit time in Motor Vehicle Division (MVD) field offices of 23 minutes during the fiscal year. Through May 31, the year to date average was 23.7 minutes Figure 7-23. Hence it is doubtful that the annual Objective will be met. However, during the year, the problems with meeting the Objective were examined and largely revolve around staff turnover. As a result, the legislature authorized additional funds for both FY 2002 and 2003 to be used as necessary for reclassifications for Customer Service personnel in the hope of reducing turnover.

Customer Visit Time (Statewide)

Figure 7-23
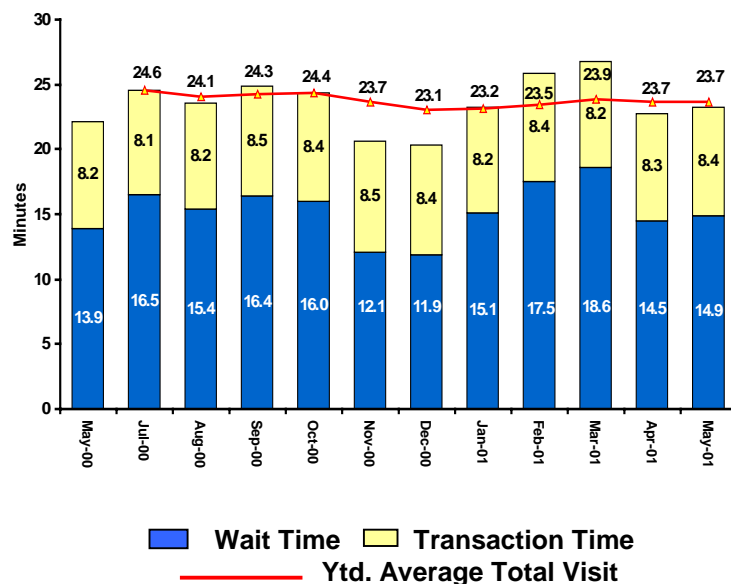
While the average time that a "typical" customer spends in an MVD field office is a key indicator of organizational effectiveness, averages can sometimes be deceiving unless used in context with other objectives and measurements. As a result, senior ADOT management reviews another indicator of customer service: the percentage of customers waiting 15 minutes or less to receive service. The target for this fiscal year is 60%. Through May 2001, 58.1% of the customers had been so served Figure 7-24. While the Objective could possibly be reached upon receipt of June figures, it is doubtful for the same reasons (turnover) as indicated in the previous measurement.

Customer Time in Office
**(Represent Q-Matic offices only)**

Figure 7-24

15 min or less
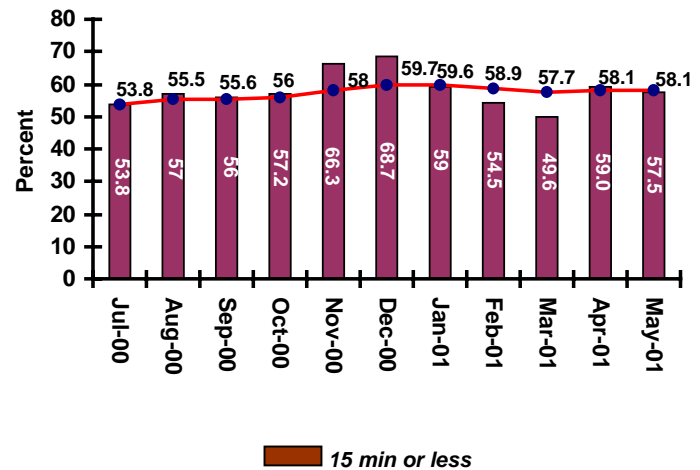
Part of the Department's strategy to provide good customer service is to afford options to customers as to how they interact with ADOT. The Internet is a growing tool that not only offers options, but also allows field office personnel to better serve those (fewer) customers that must come into an office. The Objective for this fiscal year was to conduct 360,000 transactions over the Internet. As of May 31, 300,000 transactions had been so completed. While ADOT will fall slightly short of attaining this Objective, it is important to note that for the months of March – May 2001, the monthly rate of growth in Internet transactions exceeded 30,000 Figure 7-25. This is over 360,000 on an annualized basis. This up tick in transactions resulted from the staff analyzing additional transactions that could be done via the Internet, making the necessary changes to allow customers to complete these transactions without coming into an office, and publicizing the availability of the service.

Cumulative Internet Transactions

Figure 7-25

Actual   FY 01 Objective

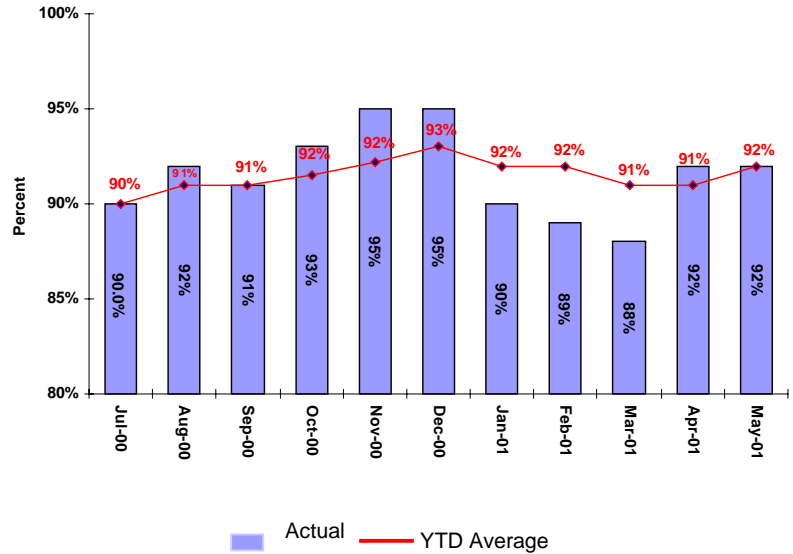## Monthly Customer Satisfaction Results

Figure 7-26
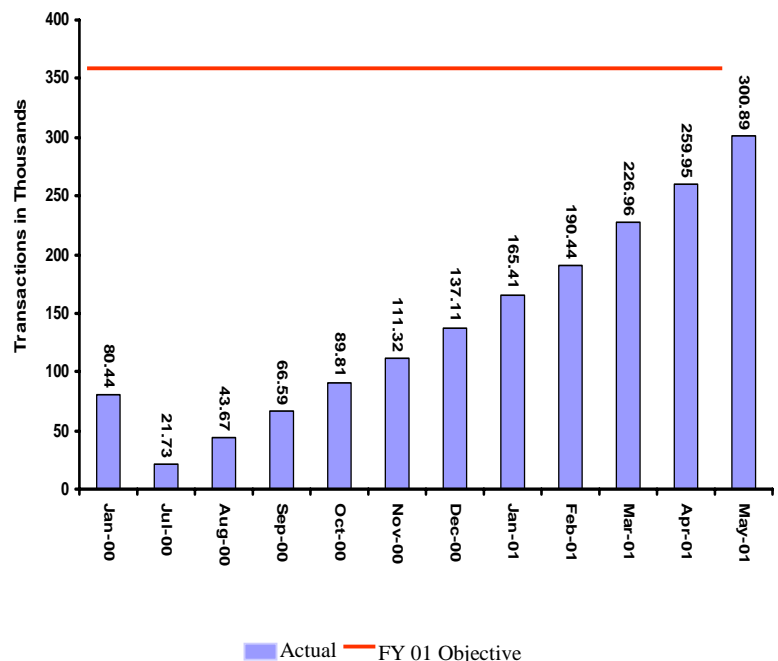
Ultimately, the best measure of customer satisfaction comes from the customers themselves. That is why ADOT surveys those who visit MVD field offices, and why it is a key objective and performance indicator for the agency. For the current fiscal year, the Objective of having 91% of the customers rate their overall satisfaction level as excellent or good has been consistently met Figure 7-26.

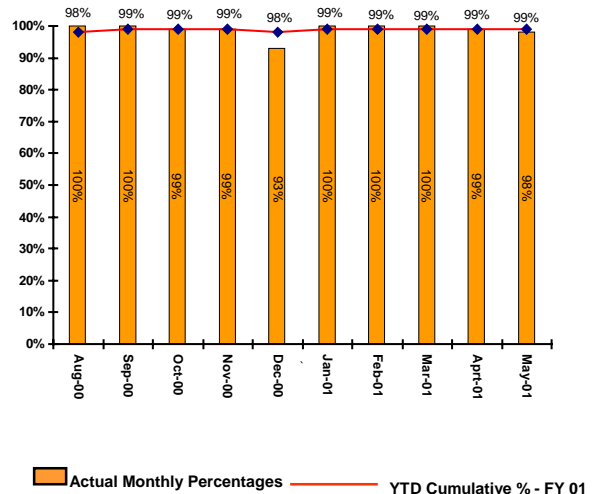## Constituent Responses completed within 10 working days

Figure 7-27

ADOT's fifth Goal is to: Improve the public and political support necessary to meet Arizona's transportation needs. One way of doing so is to simply provide superior service to the public. By so doing, the public support that comes from providing that type of service translates into political support, as constituencies contact their elected and appointed representatives. The service in this instance is simply defined as answering inquiries made by customers of ADOT's Legislative Services Office. The Objective is to respond to those inquiries within 10 working days 95% of the time. Throughout the entire fiscal year, this Objective has been met 98-99% of the time Figure 7-27.

ADOT's third Goal is: To develop and retain a high performing, successful workforce. The key Objective and measurement that management tracks in this regard is the employee safety incident rate. Keeping staff incident free both enables them to be more productive, and can positively impact ADOT's Risk Management premium, thereby freeing up funds for the construction program. The Objective for calendar 2001 is to reduce this rate to 5.41 incidents per 100 employees. Through May, ADOT is on course to attain this Objective, with a year to date incident rate of 4.33. **(See Figure 7-17)**

Figure 7-28

In an effort to enhance highway safety, thereby improving the movement of people and products throughout Arizona, the Governor empanelled a Highway Safety Team. The Team has made various recommendations for improvement, some of which fall within ADOT's purview. The chart depicts the agency's actions to date. The Team is ongoing and therefore the list of recommended action steps keeps growing. Nevertheless, the steps already completed constitute almost 50% of the steps recommended at this writing

Highway Safety Actions

planned 6
completed 18
underway 13
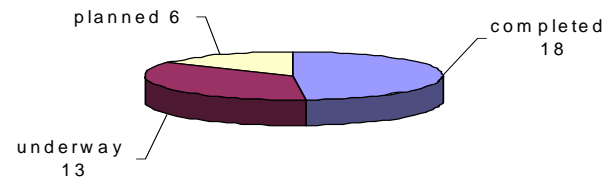
37 actions have been taken to reduce highway injuries and fatalities.

ADOT senior management selects the Key Indicators of its performance, as noted above, and manages the organization by monitoring them. To the extent that targets are not being met, or are being greatly exceeded, analysis is undertaken to discover the cause(s) for the variance(s), and corrective action is taken. In addition, several of the key indicators are required by the Governor's Office, and are sent there each month.

The Key Indicators are posted on both the ADOT intranet and internet, along with other information, for use by both employees and the public. This is a valuable communication tool for a public agency to keep its various constituencies informed on a timely and current basis.

As stated in the opening paragraph of the overview, ADOT's major priority through 2007, as established by the Governor's Office, is to complete the construction of the Regional Freeway System in Maricopa County in 2007 rather than the originally planned 2014. The Department is on schedule to realize this priority, and has channeled its resources to accomplish this. In the meantime the MVD continues to perform, monitor and improve the delivery of their services to put people and vehicles on the road and raise revenue. ADOT completes its mission by using proper planning and processes, which are executed by a professional, dedicated and motivated workforce, which monitors and adjusts its plans in a timely manner.